No. 29,906

Thursday April 17 1986

D 8523 B

## Reagan's Iveco and plan for Contra aid UK heavy in trouble truck units

President Ronald Ratan's bid to supply US military is to Micaragua's Contra rebels in of his top foreign policy prioritis — was in deep trouble in in Democratical Pouse of Representatives yestoogles.

Over the strenuous objections of Republicans, the itese narrowly approved a procedur that will almost certainly the 'lr Reagan's \$100m Contra aid chage to a \$1.70n spending bill in ne strong-

If the two measure were linked, as now seems like. Mr Reagan would face the chosed vetoing aid to the Contras slong with the spending bill, or lears the spending bill go through pecure the aid.

#### Kidnap release

lish police secured he release of kidnapped bankers rife Jennifer Guinness after laying siege to a house in a fashionable Dublin suburb. Mrs Guinness was kidnapped lf days ago.

#### Waldheim papers

Yugoslavia may be reparing to release official documents shedding further light on the Second World War activities of lamer UN Secretary-General Kurt Waldheim, official sources said.

#### Marcos property

The Philippines Government has found property in the country worth more than \$250m omed by former President Marcos his family and

#### Murder inquiry

Swedish Government is to set up an inquiry into police handling of the hunt last month for Premier Olof Palme's killer, ater press claims that the search we bungled.

#### Zurich killings

A Zurich civil servat opened fire in a public office, kiling four people and seriously injuing a fifth per-

#### Hijack trial order

Italian investigating magistrates or-dered the trial of a Palestinian leader and 13 others mcharges over hijacking of the Achille Lauro cruise liner in the Mediterranean last

#### Murder charges Charges against two Italians al-

leged to have adulterated wine with methyl alcohol lave been changed from manslaugher to murder, the prosecutor in the case said.

#### Dispute ends

Norwegian building workers and employers agreeion a new pay and conditions contract for the coming year, ending an industrial dispute which started over a week ago. Page 2

#### Finnish strike

The strike by finland's civil servants, which has paraiysed public transport and shut down public offices in Helsinki for the past two weeks, spread throughout the country. Page 2

#### Strasbourg demand

European Parliament voted for a clear switch in EEC spending priorities in favour of social and regional policies, such as training and job creation, and away from the tradi-tional field of agriculture. Page 2

#### Rebels' claim

Angola's Unita rebels said they destroyed a bridge in northern Cabinda province and shot down a heli-copter in another province during recent attacks in which 71 Angolan and three Cuban soldiers were

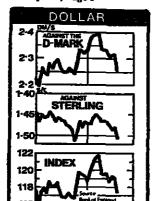
# Business summary 🛬 Ford link

FORD and IVECO, the Fiat-owned group, are to merge their heavy commercial vehicle operations in Britain in a deal that will see the US group giving up heavy truck production in Europe. Page 20; Background, Page 19

WALL STREET: at 2pm the Dow Jones industrial average was 27.78 higher at 1.837.43. Page 40

TOKYO: Prices fluctuated narrowly as concern over the Libyan conflict persisted. The Nikkei average added 6.03 to 15,358.36. Page 40

LONDON: Initial uncertainty kept prices lower but a late rally left the FT Ordinary share index 8.6 higher at 1,379.4 and the FT-SE 100 up 7.2 at 1,662.0. Gilts also firmed. Page 40; London exchange outlines Third Market plans, Page 9



DOLLAR fell in London to DM 2.2510 (DM 2.3110), FFr 7.1625 (FFr 7.3625) SFr 1.8865 (SFr 1.9335) and Y178.6 (Y178.3). On Bank of England figures the exchange rate in dex fell to 117.3 from 119.2 Page 33 STERLING rose 2.55 cent in London, to close at \$1.5055. It also rose to Y266 (Y263.75), but fell to DM 3.39 (DM 3.42), FFr 10.7825 (FFr 10.8950) and SFr 2.84 (SFr 2.8625). The

GOLD fell \$1.75 to \$339.00 on the London bullion market. It rose in Zurich to \$341.25 from \$340.75.

FRENCH foreign trade deficit swung to a deficit of FFr 2.6bn (\$354m) in March after a small surplus of FFr 85m in February, according to seasonally adjusted

CARLO DE BENEDETTI, chairman of Olivetti, says he plans major acquisitions and investment in France where he hopes to build up a pres-ence modelled on his Italian industrial and financial empire. Page 20 **BRITISH** Government published its Finance Bill, which will implement its 1986-87 budget announced last month. Details and analysis,

Pages 14, 15; Lex, Page 20 BANCOKLAHOMA Corporation second-biggest banking group in Oklahoma, announced a \$44m loss in its first quarter after almost doubling loan-loss reserves to cushion the effects of lower oil prices.

Page 20 AT&T. US telecommunications group, boosted first-quarter net earnings by almost 50 per cent to \$530m on revenues of \$8.75bn (\$8.31bn). The rise was attributed to strong growth in domestic and international long-distance business. APPLE COMPUTER of the US trebled earnings for the quarter to March 28 to \$31.8m despite a fall in sales. High margins helped the

recovery. Page 21 MERRILL LYNCH, leading US securities group, profited from the surge in Wall Street activity in the first quarter this year to achieve a

56 per cent increase in earnings. GOLDMAN SACHS, US investment bank, is to advise Woolworth Holding in its defence of the £1.6bn (\$2.4bn) takeover bid from Dixons.

next general election.

Mr Lawson, in a speech designed HONG KONG fund managers are to clarify the Treasury's approach to monetary policy, said that in the right circumstances membership of to be allotted a third of the 398m shares in Cathay Pacific Airlines being offered to the public. Page 22 | a formal fixed exchange rate sys-

# Libya denies that EEC aims for

## Tripoli gunfire is sign of dissent

BY TONY WALKER IN TRIPOLI

SHOOTING broke out yesterday afternoon around the army barracks in Tripoli used as a headquarters by Col Muammer Gadaffi, the Libyan leader. Libyan officials angrily de-nied reports of dissent within the Gadaffi regime and said the firing was directed against a US recon-

naisance aircraft flying overhead. Buses carrying journalists for a tour of the barracks were quickly burned round and sent back to the hotel on Tripoli's waterfront where over 150 correspondents are staying. In the harbour a patrol boat

had also opened fire. In Washington, US officials de-nied reports from Tass, the Soviet newsagency, and from the official Libyan agency, that a second American attack had been launched on

Libyan Information Department officials berated journalists who speculated that trouble was breaking out in the city, before taking them back to the Bab al Aziziya barracks compound, which was hit by several bombs on Monday night. By last night Col Gadaffi had not made an official appearance since the US raid. Mr Larry Speakes, the ered to be the lengthy silence by the

Gadaffi with members of his family on the streets of Tripoli not far from his residence after the US air strike.

Col Gadaffi's residence, a threestorey building, was badly damaged in the bombing. The front windows were blown out and there are deep shrapnel gashes across the front of the structure and extensive interior damage.

It was there that the Libyan leader's 15-month-old adopted daughter, Hana, was badly injured. She died later in hospital. Two of Col Gadaffi's sons are also in hospital, both

More than 100 people may have been killed in the air raid according to Western officials who have been monitoring information from several locations. Libya itself is not offer-

ing any casualty figures. At least three large bombs landed immediately in front of the Gadaffi residence, indicating that this was the main target.

Officials at the scene said Col Gadaffi was in a tent within the US presidential spokesman, re- compound when the raid took place. ferred yesterday to what he consid- Bombs landed near the tent but it

Libyan leader. The tent had partially collapsed "It is somewhat conspicuous that after an electricity supply pole fell he has not followed his usual pat-tern." he said. on part of it. Wooden uprights at the front of the tent, which is protected

However, a Spanish trade union leader, Mr Paco Casero, said in a radio interview that he had seen Col sions. Col Gadaffi appears to have been lucky to escape unhurt.

Gadaffi's lengthy silence fuels speculation on his whereabouts

Libyan officials say that not only did Col Gadaffi avoid injury but that he later met the Soviet Ambassador on Tuesday and had tele-phoned, among others, President Hafez al-Assad of Syria.

Other buildings in the compound were also damaged. Windows of an administrative block near Col Gadaffi's tent were blown in and there was extensive external damage to

the building. Many people in the capital appeared nervous and feared further raids. Some roads are being patrolled by young revolutionary guards, and roadblocks have been set up on the approaches to the Bab

Missile batteries have been deployed around the barracks. Meanwhile, Tripoli radio continued to urge Syrian and Algerian pilots to fly suicide missions against the US Sixth Fleet in the

Mediterranean. "Oh Syrian brothers take your place in the battle," an announcer said yesterday.

These appeals were mixed with almost constant invective against the US and vigorous denunciation

The Libyan crisis, Page 4; Libya's

## joint stance to defuse conflict

BY PATRICK COCKBURN IN MOSCOW, REGINALD DALE IN WASHINGTON, ROBERT MAUTHNER IN LONDON AND QUENTIN PEEL IN STRASBOURG

EEC foreign ministers will again attempt today to find some means of defusing the conflict between the US and Libya, and to reinforce their own common position on the Libyan crisis.

Their second emergency meeting of the week, to he held early today in Paris, could nevertheless degenerate into recriminations aimed principally at the British Govern-ment and Sir Geoffrey Howe, the

UK Foreign Secretary.

Greece and other member-states such as Belgium, are expected to seek an explanation of how much Sir Geoffrey knew about the impending US air strike against Tripowhen the Twelve met in The Hague on Monday and agreed to urge restraint on all the parties involved.

However, the 12 will seek to maintain some semblance of a united position in the hope that they can restrain both the US and Libya from further hostile actions. Some EEC capitals are acknowledging that the modest measures adopted on Monday, based on curbing Libyan diplomats, did not measure up to the needs of the situation.

Suspicion about the British Government's role in the affair, and its failure to inform its Community partners fully, emerged in the European Parliament yesterday when members questioned Mr Hans van

ister and current EEC chairman. Mr Van den Broek insisted that the prime task of the Paris meeting must be to seek ways of de-escalat ing the tension in the Mediterra nean and preventing any further

"Our first aim is to investigate together how the 12 can contribute to within limits while not ceding maa de-escalation and reduction of tension," he said. "Second, we will look at how the measures we de Government's privatisation pro-

He defended the position of Sir Mr Edouard Balladur, the Fi-Geoffrey, insisting that he had no reason to doubt the integrity of his sales of 5-10 per cent of the state's

in The Hague suggest that there taken on which groups would be in-was little doubt in the minds of the volved. He was anxious to make ministers that the US Government was planning early military action against Libya, and that Sir Geof-rent expenditure but would be used frey did nothing to suggest other-

Mr George Shultz, the US Secretary of State, gave the clear impres-sion at a satellite news conference linking Washington with a number of European capitals, that, although the US had been disappointed by the measures to combat Libyan terrorism agreed on by the foreign ministers on Monday, that was not the decisive factor in Washington's

Continued on Page 20

## France to raise FFr 8bn from state asset sales

By David Housego in Paris.

FRANCE'S new right-wing Government yesterday said it would raise FFr 8bn (\$1.09bn) in share sales in the nationalised sector this year to help to cover expenditure in the supplementary budget for 1988 ap-proved by the Cabinet at its weekly

The asset sales - probably involving, among others, state-owned in-surance companies and Elf Aquitaine, the oil group, are permitted under existing legislation and allow the state to diminish its holdings jority control.

The sales are thus not part of the cided upon on Monday can be gramme - although it is clear that implemented as quickly as possitive Government sees them as a way of testing the market.

olleague. | holding in individual companies,
Others who attended the meeting | but said no firm decision had been volved. He was anxious to make clear that the proceeds would not go for capital investment or to reduce the Government debt.

Reflecting this policy, the Government decided yesterday that the anticipated FFr 8bn to be realised from the sales would be used to cover an upward revision in the financial requirements this year of Renault, the state-owned automobile manufacturer, and of Sacilor

The supplementary budget symbolically reduces the FFr 145.3bn budget deficit for the year left by the Socialists to FFr 144bn. But this cut - reflecting the Government's long-term intentions of reducing public sector deficit – includes a FFr 21bn increase in spending offset by a FFr 22.5bn increase in

The rise in revenues includes FFr 10hn of expenditure cuts, including a FFr 1.71bn reduction in public employee salary costs

The main new item of expenditure is a FFr 4bn programme designed to boost youth unemploy ment by cutting companies' social

The Government, however, has also used the supplementary budget to take the first steps towards implementing the personal and cor-For the Liberal/SDP Alliance Mr porate tax cuts promised in its elec-

P 25

· 经济域等的 医复数

The budget thus provides for FFr involvement in terrorism to the 5bn of tax cuts next year for indus-EEC and to the United Nations and try in large part through providing a uniform corporate tax rate of 45 per cent

Details, Page 2

## Britain reserves its position on future action

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

would make a new approach to the UK under the joint consultation arpound's exchange rate index rose 0.2 to 76.4. Page 33 rangements if it wished to use US cy House of Commons debate on today.

> iamentary performances Mrs but is now seen as h Thatcher vigorously defended the greater importance. British decision to permit the use of in the future.

She also set out some of the evibetween Britain and the US, as a mer deputy foreign secretary.

combined yesterday to put public framework.

pressure on Mrs Margaret Thatch-

er, the Prime Minister, to take ster-

ling into the European Monetary

System.

Mr Nigel Lawson, Chancellor of

added that the Government did not

believe that the time was yet right.

At the same time, Sir Geoffrey Howe, Foreign Secretary, said that

Britain could not postpone indefi-

nitely a decision on joining and sug-

gested that the final say on the is-

sue should be left to the Treasury.

The two sets of remarks, clearly co-ordinated between the Treasury

and Foreign Office, follow indica-

tions in Whitehall that Mrs Thatcher would prefer to keep sterling out

of the EMS, at least until after the

THE REAGAN Administration friend and ally which she said justi-

The Prime Minister also emphasised the need for further efforts tobases in Britain in a further mili-wards a peaceful solution of the outright critics of the US action a with the US and its role in the de-tary action, Mrs Margaret Thatch-Arab/Israeli question and said she larger group of Tory MPs is private-fence of Europe, also noting that er, the British Prime Minister, told would be seeing King Hussein of ly worried that the US action will MPs at the opening of an emergen- Jordan later this week, probably stimulate anti-Americanism and

Libya. This meeting was arranged be—the Campaign for Nuclear Disarma-In one of her most effective parl-fore the US raid on Monday night ment in their campaigns against US Mrs but is now seen as having acquired Mrs Thatcher succeeded in win-

Libya, while making clear the strict MPs as well as some loud cheers. conditions attached both now and There was, however, strong criticism from Labour and Alliance leaders and from Mr Edward dence of Libyan involvement in ter- Heath, the former Tory Prime Minrorism and stressed the close links ister, and Sir Ian Gilmour, the for-

Lawson, Howe press Thatcher

TWO SENIOR British ministers tem could provided a very effective Chalker, the Minister of State for

The exchange rate might not in-

"over the medium-term, maintain-

ing a fixed exchange rate against

countries who share our resolve to

policy on the rails," he said. Mr Lawson stressed that there

could be no half-way house between

EMS membership and the current stance of policy, allowing, for exam-

ple, an informal exchange rate

target.
"I see no role for an exchange

rate target outside a formal ex-

change rate system, shared by oth-er countries and supported by a co-ordinated approach to economic

management and intervention."

He added, however, that "The

Government does not believe the

time is yet right for us to join the EMS. And we have no informal ex-

the end of a speech which was de-

livered on his behalf by Mrs Lynda

Sir Geoffrey's remarks came at

change rate target or zone."

to take sterling into EMS

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

the Exchequer, gave a clear hint reduce inflation is a pretty robust that he now favours full Britishway of keeping domestic monetary membership of the EMS, but he policy on the rails," he said.

MPs about the implications of the of the UK bases.

use of British bases. provide ammunition for Labour and in 1982.

nuclear operations in Britain. Experienced MPs report receiving an unusually large number of F-111s based in Britain to attack ning the backing of most of her letters and phone calls yesterday from constituents, including supporters, expressing concern about

Mrs Thatcher sought to reassure MPs on these doubts by saying she had raised questions and concerns shared by several Cabinet col-

In an apparent reference to the

political factors could not be ig-nored when considering member-ship. But nor can a decision be

Mr Lawson's comments came as

a sharp fall in the value of the dol-

lar reinforced confidence in Lon-

don's financial markets over the

prospect for an early reduction in British interest rates.

kets have fallen steeply, leaving a cautious stance by the Bank of En-

gland as the only obstacle to a 1/2

point cut in base rates to 10½ per

In his speech, Mr Lawson sought

to allay any suspicion that the downgrading of sterling M3, the

broad money supply indicator, as a

guide to monetary policy, had led to any weakening in the Govern-

Details of Finance Bill,

Pages 14, 15; Lex, Page 20

ment's anti-inflation resolve.

Rates on the London money mar-

postponed indefinitely," he said.

There was unease among Tory leagues - before agreeing to the use rorism. Mrs.-Thateber's --decision Britain had considered the wider

Apart from a small minority of implications, including the alliance the US had given Britain "unstinted help" during the Falklands conflict The Prime Minister said Britain

reserved its position on future action, which might be more general or less clearly directed against terrorist targets. She also gave details, almost all already known, about what she said

was Libyan involvement in recent terrorist attacks, including the one on US servicemen in Berlin. Mr Neil Kinnock, the Labour Par-

had isolated Britain from its allies He called for commercial and financial sanctions which, he said, would now be particularly effective because the fall in the oil price meant Libya would need external credits which should be denied. Mr Kinnock won Labour cheers

for his performance despite initially having to face some rowdy interventions from a number of Tory

David Steel said the US should tion programme. have presented evidence of Libyan sought a collective response.

House of Commons debate,

## ty leader, condemned the US action. It would provoke, not prevent, ter-Page 12

IT'S WILLAT WIZ'RIZ CUT OUT FOR COMPANY\_ ADDRESS. Clwyd Send for the Clwyd fact pack

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Foreign Affairs.

variably give the right signal but next election, Sir Geoffrey said that

garden festivals ...... 16 UK Finance Bill ...... 20 Editorial comment: export Australia: Westpac's global 

**EUROPEAN NEWS** 

principle yesterday on state surance, the cut in contributions help for farmers following the D-mark's rise in the European motional incomes of up to DM monetary System and government fears of losing farmers'

Surance, the cut in contributions would affect farmers with notional incomes of up to DM 40.000 a year.

Farm incomes, measured per

Farmers have redoubled their efforts to force more help out of the Government since the realignment of the EMS ten days ago, arguing that the effective of per cent devaluation of the French farmers an unfair price advantage. More than 50,000 farmers demonstrated throughout the country last weekend, calling for the introduction of a national emergency aid programme.

Mr Ignaz Kiechle, the Agriculture Minister said the cabinet would increase the amount of farmland eligible for aid as "disadvantaged areas" from 4m to approve this, however, as a small amount of the aid comes from the Community budget.

The minister also confirmed that welfare payments to the strate by the owners of small accused the Commission of fail-

WEST GERMANY decided in sions, accident and health in-

votes in this summer's state elec-tion in Lower Saxony and next land, fell from DM 25,263 in January's general election. 1975-76 to DM 24,828 in 1984-85 Farmers have redoubled their in real terms. Partly, this is

that welfare payments to the state by the owners of small accused the Commission of failand medium-sized farms would ing to make long term propobe halved. On a notional income of DM 10.000 a year, he said, these farmers were now paying DM 4.000 towards old age pen-

## MEPs want social and regional policies stressed

THE EUROPEAN Parliament agriculture.

The vote came on the eve of another key decision by the assembly, on whether to call for an increase in farm prices in "We are not interested in

different areas of dominated the debate on priori-ties for the 1987 budget. Mr Henning Christophersen. the budget commissioner, spelt out the coming dilemma for the 12 member states: They must approve a substantial supplementary budget for the present year, if they are to avoid ex-ceeding the absolute limit of available revenues in 1987.

MEPs underlined the gatheragreed that farm spending should grow less than the increase in EEC revenues from value added tax and customs

A report on priorities for the yesterday voted for a clear switch in EEC spending priorities in favour of social and regional policies, such as training and job creation, and away ing emphasis to spending from the serial and regional funds. ing and job creation, and away ing emphasis to spending from from the traditional field of the social and regional funds.

assembly, on whether to can for an increase in farm prices in the coming year, or approve the European Commission's proposed price freeze.

The extent of the new cash crisis facing the Community, and the need to choose between different areas of Spending.

Support for farm prices and Spending. Support for tarm price

export subsidies to sell surplus cereals, butter, beef and other products on the world market, currently consume two-thirds of the EEC budget, or some Ecu 21bn (£13bn) of the current

Ecu 33bn.
The cash problem was further confirmed yesterday when the Commission attempted to agree on a major initiative for spend ing on farm projects. Those in-clude early retirement schemes the Community's common and subsidies for hill farmers, agricultural policy when they intended to complement a much intended to complement a much more restrictive price policy. No final conclusion was announced, because of the problem in agreeing where the necessary finance would be found.

## French enthusiasm wanes for fast breeder reactors

struction of fast breeder nuclear slasm for fast breeders over the reactors, which are not likely to be competitive for another 20

about prospects for a second large European fast breeder

THE FALL in oil prices could around the end of the 1990s. provide a supplementary rea- His remarks underline the son for further delays in con- sharp waning in French enthupast few years. French, Italian, West Ger-

years, according to a top official man and British utilities, with the backing of their governFrench state electricity utility.

Mr Remy Carle, director of take a decision on the new equipment in charge of EdF's reactor — dubbed Superphenix overall power station programme, gave a cautious view about prospects for a second large European fast breeder sellied with difficulties project planned to supplement with West Germany over the the Association of Co-operative the recently-completed Super- question of where to site the Banks, Reuter reports from plant plant at some time plant posed planning problems.

## French budget gives high priority to jobs for young

ment.

The announcement coincided with the disclosure that the number of jobless rose on a seasonally adjusted basis by 0.9 per cent in March to 2.388m. But the belief of Mr Jacques Chirac, the Prime Minister, that the official figures considerably understate the unemployment picture was reflected in his decision, also announced yestercision, also announced yester-day, to set up a commission to review the basis for calculation. While in opposition, the French

THE FFr 4bn (£360m) package of measures to create jobs for the young announced yesterday by the French Government, was the largest fresh item of expenditure in the supplementary budget and reflects the political priority given to a rapid reduction in unemployment.

The announcement coincided with the disclosure that the number of jobless rose on a seasonally adjusted basis by 0.9

BY DAVID HOUSEGO IN PARIS

THE FFr 4bn (£360m) package of measures to create jobs or make that the number of jobless was closer to 3m.

The money allocated yesterday by the French Government was the largest fresh of the said, the said, the said, the said, the said, the said, the said the two states of the proposition. Government would provide and reflects to a rapid reduction in unemployment.

The announcement coincided with the disclosure that the number of jobless rose on a seasonally adjusted basis by 0.9

Seasonally adjusted basis by 0.9

The money allocated yester-day by the French Government contributions of the supplementary budget is a projects initiated in Paris by hopes to create among the said, 600 young people unemployed. But, he said, the two state costs, This requirement which has meant that many companies will be used to reduce the social security contributions of the supplementary budget and reflects in political priority given to jobs for young people. Corporate for the populations, normally benefit from the cuts in social security contributions on the following basis: 25 per cent for taking on a young worker between 16 and 25.50 per cent for providing a job to a youth for the requirement which the many companies will be able to costs. This requirement which the many companies will be said to two first science of the providing and housing fovernment would provide ment when has meant that many companies will be set of the sexion providing training or intensity of the scient which the right criticised and the two states with the said, the two states will be set of the said, the two states will be set of the sexion to cr jobs for young people. Corpor-ate social security contributions, which can account for up to 40 per cent of wage costs in France, have long been seen by employers as one of the main deterrents to taking on new labour.

Under the youth employment plan, companies will be able to claim reductions in social security contributions on the following basis: 25 per cent for taking on a young worker between 16 and 25, 50 per cent for providing a job to a youth who has finished a training scheme, and 100 per cent for providing training or an apprenticeship for a young per-

At the same time the Government removed another anomaly which small businesses have long claimed has discouraged employment.

This is the requirement that small companies recruiting a tenth employee or more become liable to additional taxation to who has finished a training or an apprenticeship for a young person.

But the police as part the sale of shares in national increase for the police as part the sale of shares in national taxation for the state of the state of the providing training or an apprenticeship for a young person.

But the bulk of the additional expenditure — FFr 16.7bn anounced — is accounted for by an upward revision of spending training or an apprenticeship for a young person.

Mr Philippe Seguin, the sale of shares in national time state of the state of the police as part the sale of shares in national dised industries, and FFr 2bn from a transfer to the state of the police as part the sale of shares in national dised industries, and FFr 2bn alised industries, and FFr 2bn anounced — is accounted for by an upward revision of spending cuts, one of the most striking features has been tell budget for grants to recommitments already included for by an upward revision of spending cuts, one of the most striking features has been tell budget for grants to recommitments already included for public employees.

Among other items being cut from a transfer to the state of form a transfer to the state of for

supplementary budget is a FFr 125m allocation to cut fuel bills for farmers and a FFr 295m increase for the police as part of Mr Chirac's war on crime.

But the bulk of the additional expenditure — FFr 16 75m

Honecker

basks in

approval

By Leslie Colitt in East Berlin

MR MIKHAIL GORBACHEV,

ing in Geneva last November

with President Ronald Reagan.

His speech tomorrow to the East German Communist Party

congress is expected to provide further clues to Moscow's rela-tionship with Washington after the US bombing of Libya. The initial Soviet reaction was to

cancel a planned meeting next month between the Soviet Foreign Minister and the US

The visit to East Berlin is the first by a Soviet leader to

an East German party congress since 1971. Mr Gorbachev did not attend the recent Czecho-slovak or Bulgarian party

He and his wife, Raisa, were welcomed at East Berlin Airport by Mr Erich Honecker, the East German leader, who is basking in the presence of the

prominent guest from Moscow.
The visit is seen in East Berlin
as an acknowledgement by Mr
Gorbachev of East Germany's
vital political and economic

and economic problems. The highly centralised East German

economy has outperformed that

of other Comecon members,

At the same time, improving political and economic ties between East and West Ger-

many have been regarded with mixed emotions by Soviet offi-

Honecker to West Germany in

cials. A scheduled trip by Mr

including the Soviet Union.

Secretary of State.

congresses.

Soviet leader, arrived in East Berlin yesterday on his first trip outside the Soviet Union since his summit meet-

**Soviet** 

#### Community wine fraud claimed by **Dankert**

By Quentin Peel

MANUFACTURE OF artificial wine with industrial alcohol in Italy could have contributed to defrauding EEC farm funds, a leading member of the European

Parliament claimed yesterday. Mr Piet Dankert, a Dutch socialist and former president of the Parliament, said there appeared to be a substantial fraud involving the subsidies available for turning surplus wine into industrial alcohol.

He was speaking as MEPs called for the establishment of a special task force to curb fraud in the Community.

fraud in the Community.

Mr Dankert said the amount of wine submitted for distillation in 1984 was 80 per cent more than originally estimated by the European Commission, totalling some 35m hecto-litres. This had been blamed hitherto on an underestimation of wine production by the different member states.

He called on the Commission.

He called on the Commission to investigate whether the excess production involved the artificially manufactured wine which the manusciared whee which the Italian Government now admitted had been made in that country. The cost of distillation in 1984 was Fen 1852m (6528m) commerced with Ecu 304m the previous

Mr Dankert suggested that a "victous circle of fraud" could have been perpetrated: wine made with industrial alcohol could once again have been distilled into alcohol and then turned into wine again. Ocharges agains two Italians alleged to have adulterated wine with methyl alcohol have been changed from manslaughter to murder, the prosecutor in the case said yesterday in Milan, Agencies

The confirmed toll of Italians killed in the tainted wine scandal rose to 20 last night when officials said the autopsy on a man who died in Monza on March 3 showed he had died of poisoning by methyl alcohol, a chemical derived from wood. Autopsy results are awaited on other possible vietims. possible Victims.

seven other men detained in the methanol scandal, which has badly hit Italy's lucrative wine exports, have been charged with manslaughter.

Rising incomes The disposable incomes of West German private households are

expected to rise by DM 60bn (£17bn) this year and private consumption by DM 50bn, or a real 4 per cent according to



All smiles as Mr Honecker (right) greets Mr Gorbachev on his arrival in East Germany

## Finland's civil service union widens strike for higher pay

BY OLLI VIRTANEN IN HELSINKI

country yesterday.
All trains have been halted

and air traffic is severely dis-rupted. Post offices have closed

BY RICHARD JOHNS IN GENEVA

Exporting Countries that the ceiling of collective output be

levels and the opposing one still committed to giving priority to recovery of market share. Nevertheless, there were signs—and some optimism—that a

compromise might be reached.

Delegates finally turned
their attention to production
rates and prices following an

IRAN YESTERDAY proposed attack. It had already been to other members of the approved by the majority. Only Organisation of Petroleum Ecuador and Gabon have not exporting Countries that the subscribed to it yet.

ceiling of collective output be A general discussion on what reduced from the 16m barrels should be the right Opec ceiling

a day notionally in force to on output covered a range from 13m b/d. the 13m b/d proposed by Iran

In doing so it emphasised the to 18m b/d. The latter is prob-division between the camp ably the minimum members can which has favoured a deep cut live with, compared with an as a means of restoring price actual rate at present which is

union decided to double the Turku and Tampere airports.
number of its striking members The National Railways Board
to 42,000. In an attempt to counter the to restart services.

ction, Finland's Board of Finnish industry has voiced

Iran backs 13m b/d Opec limit

believed to be in excess of 17.5m b/d.

There were clear indications that a consensus was emerging

that Opec should concentrate on

agreeing a realistic level, allow-

ing all members to observe quota commitments. In practice,

that would be less than 17.5m

Finland has stopped.

Civil servants have rejected a pay offer, claiming that they have fallen behind other workers. They are demanding a "corrective" lump sum payment of approximately FM 1,100

In an attempt to counter the counter the action, Finland's Board of action, Finland's Board of Finnish industry has voiced grave concern about disrupted goods transport. An industry spokesman said that if train transport does not start soon, companies will begin laying off employees

by quota commitments.

The general consensus was

that attempts to fix a lower

seasonal ceiling for spring and summer should be abandoned for the time being and that

Opec should concentrate on

trying to reach agreement on an annual rate. Last month, the

conference broke up after members disagreed over pro-

posals made by Dr Subroto, the Indonesian chief delegate, for a distribution of individual

quotas of a ceiling of either 14 b/d, or 14.5 b/d.

## dispute ends

A company operating heli-copters between Norway's main-land and its North Sea plat-forms yesterday warned its 700 employees that it will have to start laying them off on Monday

petitiveness, and there is speculation that the Government may devalue the krone once the spring wage bargaining has been completed.

commental shelf. A similar appeal is reportedly being drafted by the Federation of industry.

Here this week—as at the nine-day session in March which ended inconclusively — Iran's extremist stance and Iraq's rates and prices following an that would be less than 17.5m open session on Tuesday wholly b/d according to the more hard devoted to the US air strike against Libya. Yesterday, the Saudi Arabia at least gave a Venezuelan and Indonesian chief delegates added the promise with the statement names of their countries to the issued by King Fahd on Tuesterday evening were holding statement condemning the day urging members to abide

## Norway's onshore

THE STRIKE by Finland's civil services the civil service i traffic from Helsinki's the Sper cent agreed by Finmain airport on Friday. It has transport and shut public offices in Helsinki for the past two weeks, spread to the rest of the specific from Helsinki's the contract form Helsinki's the Sper cent agreed by Finmain airport on Friday. It has to agreed yesterday on a pay and conditions contract for a pay an the other four groups reached agreements on Monday evening.
There is still no sign, however, of negotiations resuming in the offshore oil and gas dis-pute in which a combined strike and lock-out has halted production for more than a week

September 1984 was cancelled under pressure from Moscow. The Soviet media had repeatedly warned East Germany of the political and economic dangers of drawing to close to Room start laying them off on Monday if the dispute continues.

The onshore settlement — which will now be put to the vote among employers and union members—turned out to be costlier than industry expected. Pessimists say the pay increases and shortened working week will reduce competitiveness, and there is specutoo close to Bonn.

The Norwegian Shipowners'
Association has called for oil
tax concessions in order to
maintain activity on Norway's
Continental shelf A similar

Shipowners spotlight the pro-blems that will face their supply vessel fleet — already struggling in a glutted market if the oil companies make drastic cuts in exploration and development as a result of the oil price slide.

They recommend a reduction of the production royalty, since it would help all oil companies.

## Mr Gorbachev is expected to tell Mr Honecker whether it is opportune for him to visit West Germany in coming weeks as has been suggested in East Berlin and Bonn.

dies in Paris By David Marsh in Paris

MR ROBERT MARJOLIN, one of the most illustrious of a generation of French post-war planners who helped build up the European Community, has died in Paris at the age of 74.

Mr Marjolin, towards the end
of a long career built up a
reputation as financial adviser to a number of US companies including IBM. He helped lay including IBM. He helped lay the groundwork for the reconstruction of France after the Second World War as a senior official in the Commissariat General du Plan, working alongside Mr Jean Monnet. In 1948, he became secretary general of the Organisation for European Economic Co-operation, the forerunner of the Organisation for Economic Co-operation and Development.

Between 1958 and 1967 he was vice-president of the EEC Commission, for which he carried out in later years a study on the consequences of enlargement of the Community.

Maggie Ford describes how the manufacture of socially useful products is helping to save jobs in Europe

## Companies look for 'alternative' ways to stay in business

water purifiers, hydro-electric power equipment and children's creckies may not be immediately apparent, but they are part of a trend in jobs and industry which is gaining ground as European countries struggle to combat high unemployment.

They are examples of "alternative" work which hard-pressed companies across Europe are turning to in order to stay in human and the process and before the part of their work have tended to fall on stony ground in the past for a stony ground in the past for THE CONNECTION between ventional industries. water purifiers, hydro-electric Efforts by workers' groups to

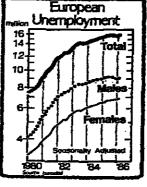
business. The goods and They have tended to see services produced are, as far some ideas as politically motias possible, socially useful, and vated, particularly in the area employees are closely involved of armaments production, in the planning of the projects. • Unions have preferred to frequently putting forward the concentrate on efforts on to closures have forced them to think of new ways of earning a living.

Only property burden to concentrate on efforts on to company boards as a way of think of new ways of earning extending their influence in management, and to fight for

Parliament heard last week that new sectors to save or promote opportunities for the new jobs and local authorities have approach were likely to expand not usually seen the private as consumer attitudes change sector as their primary responsand Job numbers shrink in considility.

Politicians, trade unionists shorter working hours as a counter to unemployment.

Brussels last week sponsored by the Green Alternative Eurocentrated on seeking outside an Link in the European investment, in traditional and



term unemployed members plans are drawn up.

ity worked out a joint approach grew. The rise of health The numbers engaged in to unemployment, stressing

and environmentally-conscious alternative work in West Gergroups like the Greens has also many are estimated by the changed people's attitudes to Greens to have now reached

proposals to save their factory from closure. An idea to diversify production into water purification machinery, viewed as socially useful, was accepted and the factory remains in production. At Blohm and Voss shipyards

But the extremely high unemployment rates in some European countries and regions have changed attitudes, the conference heard.

Factory closures have sparked workers groups and some local workers groups and some local authorities into action, and unions have broadened their views as the numbers of long-term unemployed members in Hamburg, the world shipping and the world shipping and the world shipping and the workers to set up groups all the workers local groups launched an employment action plan six production, particularly away from the military sphere. They are being helped by a consultative service started by IG authorities into action, and the local government with the world shipping.

At Blohm and Voss shipyards in Hamburg, the world shipping attention has focussed on the town of Nijmegen, where local groups launched an employment action plan six production, particularly away from the military sphere. They jobless rate of 35 per cent and authorities into action, and the local government union, and the local groups launched an employment action plan six production. Particularly away from the military sphere. They is a declining industrial base. Booked by the local branch of the Industrial Workers' Union, union, and the local government with the town of Nijmegen, where local groups authorities are being helped by a consultation and employment action plan six production. Particularly away from the military sphere. They is a declining industrial base. Booked by the local branch of the Industrial Workers' Union, union, and the local government with the town of Nijmegen, where local groups action plan six production. Particularly away from the military sphere. They is a declining industrial base. Booked by the local branch of the Industrial Workers' Union, union, and the local government with the town of Nijmegen, where local groups are supplied to consider alternative production. Particularly away from the military sphere. They is a declining industrial base.

groups like the Greens has also changed people's attitudes to traditional occupations and products.

In the depressed north of West Germany, workers at a metal machining plant in Bremen won the support of the local Social Democratic (SPD) government in persauding the management to consider their proposals to save their factory

veloped as a trend within the trade union movement in the Netherlands, where 37 proposals have been out forward in different companies over the past few years, usually as a response to factory closure or reorganisation.

worked out a joint approach London Council though in a remain below the surface for unemployment, stressing scaled-down form, has identified very much longer.

socially useful jobs in areas like energy, housing environ-ment, health and services. Workers at the Smit Ovens

plant, which produced industrial furnaces, drew up a list of 30 new production ideas, including improvements to the existing products. Negotiations with management and outside experts resulted in new products including a reason of ducts, including a range of hydroelectric power equipment being made and jobs were maintained. Other factories in the area have also produced alternative plans.

In Britain, where alternative plans drawn up by workers at Lucas Aerospace 10 years ago sparked other groups in Europe to follow suit, activity during the period of the Thatcher government has been confined mainly to local authorities

and funded a number of community-based projects, some with technological benefits, with varying degrees of success. A plan for a network of co-operative child care centres is under consideration, along with industrial projects.

Severe unemployment prob-lems in Liverpool, Newcastle and Coventry have also forced unions to take a different unions to take a different approach. In Coventry a joint trade union and polytechnic group with access to engineering facilities is trying to develop socially useful products which would then either be used to strengthen the bargaining power of employed workers or used as the basis for setting up on as the basis for setting up cooperatives or local businesses.

With the Greens' success in persuading West German indus-try to respond to environmental authorities.

The Greater Loudon Enterprice Board, which will survive the abolition of the Greater London Council though in a survive the survive than the control of the Greater London Council though in a survive than the control of the Greater London Council though in a survive movement may not the control of the Greater London Council though in a survive movement may not the control of the Greater London Council though in a survive movement may not the control of the Greater London Council though the control of the Greater London Enterprise to the control of the Control

A FINANCIAL TIMES SURVEY BEDFORDSHIRE Wednesday May 21 1986 The Financial Times proposes to publish a survey on the above. For further information, please contact. Paul Jefferis on 021-454 0922 Telex: 338650 FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

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Declir growth interes

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Robert Marjolin

A tous wess.

## **AMERICAN NEWS**

## Decline in US growth may bring case' plea interest rate cut

BY STEWART FLEMING IN WASHINGTON AND PAUL TAYLOR

Board's discount rate was fanned yesterday following further signs of sluggishness in the US economy. The speculation came on the eve of the release of the Commerce Department's first published estimate for the growth of real gross national product in the first quarter.

In the wake of the surprisingly large 0.5 per cent decline in industrial production reported on Tuesday the Federal Reserve reported that the capacity utilisation in US industry fell to 79.4 per cent last month. The Commerce Department said housing starts in March fell 2.4 per cent to a seasonally adjusted annual rate of 1.9m units after declining 1.8 per cent in February. 1.8 per cent in February.

On Wall Street the continued evidence of softness in the US economy, coupled with lower oil prices which have calmed infla-tionary nerves, have helped spur a sharp decline in US short term interest rates in recent weeks as investors have anticipated a further reduction in the current 7 per cent discount rate.

In early trading yesterday both bond and equity prices were sharply higher again, sending the yield on the 30-year Treasury long bond tumbling to 7.20 per cent while the blue chip Dow Jones industrial average surged above its previous record closing high and was holding eady at around the 1824 level

RENEWED speculation about a when, and by how much, the cut in the Federal Reserve Fed will cut the discount rate, rather than whether. Reflecting this the three-month T-bill dis-count rate has fallen from over

7.30 per cent in early March to just over 5.80 per cent in recent trading sessions. This decline in short term rates has also resulted in a bonanza for most of the big US banks which have seen their funding costs plunge while lending rates, particularly the benchmark prime lending rate, has remained relatively high.

A hint that the Federal Re-serve is reacting cautiously to the signs of economic weakness came from Mr Paul Volcker, the Fed chairman, in a speech on Tuesday night.

Mr Vilcker gave a generally optimistic assessment of the cur-rent economic outlook suggest-ing that falling oil prices and interest rates, and evidence that fears about a resurgence in the rate of inflation are "receding," mean that "the prospects for extending the (economic) expansion have been enhanced."

Mr Volcker again stresse that America's industrial trading partners should not least because of their poor employment records, seek to accelerate their economic growth. He emphasised too that it is important that the promise of lower budget deficits in the US be fulfilled.

Budget negotiations in Washington have run into a stale-mate. The House of Represen-With the key Fed funds rate tives is waiting for the Senate trading consistently under the ? to produce a budget resolution per cent level for more than a while the Senate is unable to week most senior market reach agreement on a comeconomists and Fed watchers promise budget package with agree that it is a question of the White House.

## Brazil in 'special to creditors

By Robert Graham

BRAZIL has made a strong plea to the Paris Club to be treated as a special case in preliminary talks this week on rescheduling some \$2.3bn in interest and principal

in interest and principal arrears.

The Government of President Jose Sarney is anxious to establish that the Paris Club of Western creditor nations accept a rescheduling agreement without an economic programme endorsed by the International Monetary Fund.

Fund. In spite of this plea, members of the Paris Club remained cautions at Tuesday's meeting about commiting themselves to any change in their principle that rescheduling agreements required an accompanying IMF economic programme.

Nevertheless, the Paris Club was understood to have been sympathetic, given Brazil's recent efforts to stabi-

Brazil's recent efforts to stabi-lise its economy.

lise its economy.

On February 28, President Sarney, introduced a radical stabilisation programme, the Crutado Plan, freezing prices and wages and introducing wide ranging monetary reform. Aiming at zero inflation, the Brazilian authorities this week were able to show prices had fallen in the first month.

week were able to show prices had fallen in the first month by nearly 1.5 per cent.

This week's meeting is expected to nave the way for more detailed negotiations next month. The planned rescheduling covers interest and principal researches in 1985. principal arrears due in 1985

The Brazilian demand for an agreement outside the aus-pices of the IMF reflects a new mood of nationalism in the country and a feeling that the present measures are suffi-cient to meet obligations on the total foreign debt of \$105bm.

## Reagan Bill on Contra aid runs into fresh problems

BY REGINALD DALE, US EDITOR IN WASHINGTON

bid to supply US military aid aid to the Contras along with to Nicaragua's Contra rebels— the spending Bill or letting one of his top foreign policy them both go through.

The spending Bill in any case the contrast of the contrast along with the spending Bill in any case.

rowly approved a procedure

in the Democrat-controlled could be held up for months Tip O'Neill, the House Speaker. House of Representatives yes- by political wrangling, delaying to obstruct passage of the aid to the Contras, which Mr

Over the strenuous objections Reagan says is urgently needed of Republicans, the House narto prevent their collapse. The rowly approved a procedure best hope for supporters for that will almost certainly tie the aid appeared to be to defeat the spending Bill, which would and defensive weapons, such as package to a \$1.7bn spending Bill, which would allow the aid package. If the two measures are linked, as now seems likely, Mr Reagan best nope for supporters for immediately to the Contras, to Mr U'Nelli reforted that Ladya and V'Nelli reforted that Ladya

PRESIDENT Ronald Reagan's would face the choice of vetoing prospect.
bid to supply US military aid aid to the Contras along with A last minute appeal by Mr
to Nicaragua's Contra rebels— the spending Bill or letting Reagan failed to dissuade the House from adopting the rules of procedure, designed by Mr to obstruct passage of the Sent \$400m and an arsenal of Contra aid, which he vehemently opposes. Mr Reagan's mista Government "to bring his plan calls for \$25m given immediately to the Contras, to Mr O'Neill retorted that Libya be spent on non-military items and Nicaragus were two com-

chance.

it contained pet vote-getting

Mr Reagan vainly tried to projects for individual congress-

sway the House by arguing that the "arch-terrorist" Col Muammer Gadaffi of Libya had

to give negotiations a last barrel of pork," implying that men. "There hasn't been so much pork seen in one place since the last porky pig film

## Mary Helen Spooner on Congress's refusal to pass much-needed reforms

## Uphill struggle for Bolivia's economy

PIESIDENT Estenssoro's hopes for resolving letter of intent with the Paz Bolivia's balance of payments exists seemed to evaporate this December, is pressing Bolivia crisis seemed to evaporate this week as the Bolivian congress failed to approve a reduced deficit budget and a proposed tax reform bill.

The two measures would have opened the way for Bolivia to receive the first disbursement of a \$150m standby loan from the International Monetary Fund, plus another \$350m in loans from other multilateral lending institutions. The congress is not scheduled to reconvene until August.
Shortly after taking office last August, President Paz decreed

August, President Paz decreed a package of austerity measures, including an end to most price subsidies, a devaluation of the Bolivian peso to near market value, a reduction of import tariffs and a freeze on public sector wages. The new Government's economic programme succeeded in reducing Bolivia's hyperinflation, which last year reached an incredible 50,000 per cent, but failed to resuscitate industrial and agricultural production, largely because of production, largely because of the shortage of internal and

to reform its tax code, increasing taxation on such personal
assets as cars, boats and luxury
goods. At present Bolivia has
one of the lowest tax rates in
the world, with taxes accounting
for lase than 0.5 per cent of the for less than 0.5 per cent of the country's annual budget. The Government's efforts to push tax reform legislation through congress have been opposed by the country's affluent minority. The measure has run into particularly strong resistance in Santa Cruz, the country's second largest city and residence of Bolivia's major cocaine traffickers. The 31bn cocaine trade has produced numerous potentially taxable assets in Santa Cruz, where the first Rolls-Royce ever seen in Bolivia

has appeared on the streets. Nevertheless, the economic plight in this country of 6.1m has aroused at least some sympathy abroad. Earlier this month Mr Javier Perez de Cuellar, the UN Secretary General, visited La Paz and last month cut off the \$60m in promised to intercede on economic and military aid to reduce the budget deficit by to garner the necessary co-oper-Bolivia's behalf before multi-



President Par-fighting for

lateral financing institutions. He also called on UN member countries to contribute to a \$150m emergency fund for Bolivia. West Germany recently released the first disbursement of a DM 65m credit to Bolivia

for this year.
On the other hand, the US

Against the background of

Bolivia's impoverished economy, the lucrative cocaine trade has become increasingly difficult to combat. Using US funds, Bolivian officials were offering farmers in the central Chapare province, the main coca grow-ing region, \$350 for each bectare taken out of production. Unfortunately, a good coca crop can yield 20 times as much income as traditional agricultural produce, and local farmers were understandably resentful of drug enforcement efforts. In January, some 17,000 angry coca leaf farmers surpounded the same rounded the camp where a group of 245 US trained nargroup of 243 OS trained har-cotics police were stationed. The blockade, which authorities suspect was organised by cocaine traffickers not wanting to see their supplies en-dangered, lasted five days.

President Paz has attempted

until the authorities manage to reduce the cultivation of coca lead, the main ingredient in cocaine. Most of this aid consisted of agricultural assistance and shipments of surplus grain.

Against the hard-authorities manage to ernment payroll. The municipality of La Paz recently laid of 1,800 of its 5,000 employees, of 1,800 of its 5,000 employees and the country's powerful labour federation, the Central ations. The country's powerful labour federation, the Central Obrero Boliviano (COB) has fought the cutbacks tooth and nail, and earlier this month organised a 24-hour general strike which left the country partly paralysed. The authorities responded by mobilising army troops to keep basic services functioning, and fired 38,000 schoolteachers who had joined the strike.

> President Paz seems determined to avoid the mistakes of his predecessor, Mr Hernan Siles Zuazo, whose government imposed a number of austerity packages, then gave in to Bolivian labour's demands when the COB mounted general strikes. This negated the effects of the austerity measures and fuelled the country's inflation.
> To date his government has been able to deal with labour protests by recourse to hard-line tactics, but President Paz will need all his political skills to darrer the necessary cooper-

## Alfonsin proposes creation of new capital for Argentina

MR RAUL ALFONSIN, the process of treating on second, the southernmost tip of the Argentine president, in a bold republic, the process of the of Buenos Aires to a small. Patagonian city named Viedma.

The shift of the capital is one of a package of reforms, including a political restructuring which Government officials hint may create a ministerial system, and a reform of the judiciary. These changes are part of the

FINANCIAL TIMES

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In spite of the importance of the political and judicial reform proposals, it is the shift of the national capital that has attracted public attention. The president defended the need for the move by contrasting the isolation and underdevelopment of the nation's southern areas with the concentration of popu-

Aires and the central plain. He cited the fact that 35 per cent of all Argentines live in Buenos Aires and 78 per cent of all industry is located in its area as indications of its out-

It should not be made on the "exclusive basis of strategic considerations of a military nature.'

sized proportions.

He cautioned that the decision to move the capital may require constitutional reform.

Viedman is located 800 km south of Buenos Aires on the Atlantic coast and shares the banks at the mouth of the Rio Negro with a smaller town, Carmen de Patagones. Situated at

potential in energy resources, farming and fishing, according to the president. In a lyrical moment, Mr Alfonsin said that Patagonia stands as "an open door, mysterious and expectant,

Mr Alfonsin did not mention any time table for the capital's shift nor did he give any details about what Government branches are considered most appropriate, under the proposal, for transfer.

Opposition leaders greeted the initiative with scepticism but, given the importance of the federal ideal and the sensitivity of provin-cial feelings, they have couched their criticisms. Some officials argue that the proposal is impractical because of Argentina's foreign debt problems. Others accuse the Government of putting up a smokescreen to draw attention away from the country's economic difficulties.

"If that's the case," said a lawyer, "its working great. I've already had four argu-ments over the whole issue, one with my wife and we haven't argued about anything

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Protection Act

BY ANDREW WHITLEY IN TEL AVIV

MR MOSHE NISSIM, the newlyappointed Israeli Finance Minia strong defender of continuing ster, was due to take up his post austerity, said that, after April. yesterday, following expected approval of his appointment by the Knesset.

He was greeted with the news that inflation in the first steep price increases in Israel.

He was greeted with the news that inflation in the first quarter was down to an annual rate of 74 per cent—indicating that price stability has been achieved in Israel after many years of violent fluctuations.

Prices rose in March by 1.5 per cent, the Central Bureau of Statistics reported, for a cumulative increase in the consumer price index so far this year of 1.8 per cent. Excluding fruit and vegetables, the accumulated increase was 0.7 per cent.

In 1985 inflation was 185 per cent. But most of the pressure on prices last year came in the first half, prior to the introduc-tion of an emergency economic

programme. Welcoming the March figure —Israel's lowest monthly infla-tion rate in 15 years—Mr Shimon Peres, the Prime Minister, said it demonstrated that there was " no latent inflation " in the economy, and that the measures adopted by the Government were proving

Mr Yitzhak Moda'i, who was removed from the Finance Ministry last Sunday, under pressure from the Prime Minister, said on Tuesday that if the Government implemented already agreed budget cuts and enforced wage restraint the monthly rate of inflation could fall to between 0.6 and 1 per cent later this year.

## S. African police seal off township

On present trends, Mr Moda'i.

On a 12-month basis, the infation rate in Israel has now declined to 117 per cent. More impressively, in the eight months since the introduction of the Government's emergency programme, the cumulative price increase has been a highly credible 16 per cent.

Figures released on Tuesday showed that industrial produc-tion in 1985 rose by 3 per cent compared with the previous

After a fall of 4.5 per cent during the third quarter, out-put recovered by 2 per cent in the final quarter and is believed to have continued growing subsequently. Electrical equipment, electronics goods and clothing led the rises metals, non-ferrous metals and minerals declined.

Mr Moda'i reported that unemployment and wages are back to their levels of March 1985, following the Governmentinduced recession of last year.

quarter of 1986 was 6.6 per cent compared with 6.8 per cent in the corresponding period last year. Wage levels at the end of March, Mr Moda'i said, were 03 per cent down on a year

A FORCE of 700 South African to quell unrest, and an anti-apartheid coalition said one of its regional presidents died after being tortured by police, AP reports from Johannesburg.

The security operation in Lamontville, a black township near the Indian Ocean port of Durban, began at 2 am. as officers sealed off the town with and two Imperial palaces in roadblocks and searched cars. recent weeks. recent weeks.

people and houses for weapons.
In Johannesburg, the UDF's national executive committee charged that Mr Peter Nichabeleng — president of its brench in the northern Transvaal region — died last Friday Lod Airport massacre in 1972,

least 32 people.

#### **UAE** budget cut forecast

THE United Arab Emirates Finance Minister, Sheikh Ham-dan Bin Rashid al Maktoum. said this week that the budget for 1986 could be up to 30 per cent lower than that for 1985 if oil prices continue at their present level, writes Angela Dixon in Ahn Dhahi.
Last year's budget, which

was not announcd until family and business associates
December, amounted to have used government contracts Dh 16.6bn (£3bn). Earlier this year, Sheikh Hamdan predicted have led to high-level protests that the budget would be 15 per cent below that for 1985.

## Japan steps up security for summit

base outside Tokyo in the small hours of yesterday morning from a pick-up muck which then caught fire. No damage or injuries resulted, but one of the projectiles travelled about

A senior police official yester-day doubted that the attack was connected to the US strike against Libya, noting that the missiles were of the home-made type used by extreme left wing radicals in their attacks on Narita Airport, the US Embassy

vaal region — died last Friday! Lod Airport massacre in 1972, after being tortured by police who detained him in the black homeland of Lebowa. The death was part of a systematic, violent campaign by security forces against activists

Police said Mr Nchabeleng. 59, died of a heart attack after being detained in an investigation of the burning deaths of at least 32 people.

But the police official conceded that the need to guard against terrorist retaliation in Emperor Hirohito's rule.

appreciably in the past year, have unexpectedly suffered a wounding blow from Jakarta's outraged reaction to critical

Sydney newspaper articles pub-lished last week.

The articles, containing alle-gations that President Suharto's

have used government contracts to amass billions of dollars, have led to high-level protests

Mr Satoshi Sumita, the Governor of the Bank of Japan, yesterday denied chat he had reached any agreement last week with Mr Paul Volcker, chairman of the US Federal Reserve, on a co-ordinated interest rate reduc-tion, writes Jurek Martin.

the wake of the US strike had added an extra dimension to the extensive security precautions now being put in train for the economic summit of major industrial countries here next month. He said port of entry surveillance was being beefed

Until now, the extraordinary security operations already under way in Tokyo have been almost exclusively directed at the internal threat. Left wing extremists have been active recently and have promised attacks against both the summit and the celebrations, on April

Jakarta—Canberra links suffer

ary negotiations.
Outspoken criticism has been

directed at the Sydney Morning Herald, whose foreign editor, David Jenkins, wrote the article, and at the Australian

Press in general. Australian

fears about a supposed "threat from the north" meanwhile threaten to be rekindled.

Mr Sumita said that he and Mr Volcker had merely agreed to stay in close touch on in-rest rate developments. He was non-committal on whether Japan would cuts its discount rate again if the Fed moved first. He said it might do so, but not necessarily immedi-

The approach of the authorities is logical enough since clearly defined international terrorism has been largely ab-sent from Japanese soil. Even last year's bomb at Narita airport was planted, apparently by Sikh extremists, in Vancouver.

Reasons for this include Japan's distance from, and disinclination to get involved in, global crisis areas, such as the Middle East, as well as excep-tionally effective policing of its national borders, particularly against arms material.

Additionally, Japan's indigenous violent extremists tend to be wrapped up in their own causes (such as opposition to the con-

complained both to the Austra

lian Foreign Ministry in Can-

dor in Jakarta. About 100 protesters demonstrated outside

the embassy on Tuesday.

Last Saturday's scheduled departure to Australia by Mr

B. J. Habibie, Indonesia's Technology Minister, was called

off and no fresh date for his long-planned visit has been set

Yesterday it looked as though talks set for next month on

berra and Australia's ambassa

struction and extension of Narita airport) and not known for expressions of solidarity with other movements overseas. with other movements overseas.
Their rudimentary weaponry is
evidence of their isolation.
And yet the police have found
it hard to break them. The
police official said yesterday
that over the last year about
900 radicals had been arrested

on various charges, but the most virulent groups, such as Chukaku-ha (or "middle core faction") still operate with, to the authorities, an embarrassing degree of impunity. Some even hold press conferences.

The current summit security operation is extensive, if mostly conventional. The official said that, by the start of next month, 30,000 police would be deployed, against 26,000 for the 1979 summit here. Already the streets around summit facilities and hotels are heavily patrolled, with vehicle check points every

200 yards or so.

Perimeters of 1.5km are being set up around all key points, inside which street parking will be banned and road traffic severely restricted.

FORMER

#### Marcos accused of embezzlement

**PHILIPPINES** 

president Ferdinand Marcos, his wife and 24 associates have been charged with embezzling at least \$5bu (£3.4bu) in foreign loans and other funds, Philippines officials said yesterday, AP reports. Prosecutor Sedfrey Orderes Ordonez, in a formal complaint filed with the Commission on Good Government, also accused the former president, his wife Imelda and their friends of misappropriating US military

## Japanese election expected in June

By Our Tokyo Staff

JAPAN seems destined to hold a full general election this sum-mer, probably on June 22.

mer, probably on June 22.

Although no announcement will be made until after the economic summit here next month, there has been a distinct recent shift in political opinion in favour of what would be a "double election." that is, combining the scheduled elections for part of the Upper House of Councillors with a vote for all the 511 lower house seats.

Mr Yasuhiro Nakasone, the Prime Minister, has long wanted a summer double election to

a summer double election to strengthen his chances of holding on to the leadership of the ruling Liberal Democratic Party at its convention in October. Party rules prevent him from serving as LDP president for serving as LDP president for more than two consecutive twoyear terms. He has been resisted by his LDP rivals and their 
elder statesmen patrons, who 
share a common dislike of him 
because they do not want him 
to be able to claim credit for 
having led the party to the 
widely predicted election 
triumph and sus force a change 
in the rules. in the rules.

in the rules.

But the growing conviction of rank-ond-file LDP MPs, and the business community which underwrites the party, is that this summer offers the best chance to recoup the losses incurred in the last election in curred in the last election in December, With 251 seats in the 511

with 251 seats in the 511 member lower house, the LDP does not now command a majority and has been forced into a coalition with the splinter New Liberal Club, which broke away from the ruling party in the 1970s.

## Indonesian officials have the international maritime denounced the allegations as boundary in the Timor Sea untrue and unwarranted, and would be put off too. THE LIBYA CRISIS

RELATIONS between Australia lia. They have also provoked

and Indonesia, having warmed demonstrations outside the appreciably in the past year, have unexpectedly suffered a and hurt delicate marine bound-

## Anxious eyes keep watch on the People's Bureaus

THE WIDELY-HELD belief that Libyan diplomats play an active role in Colonel Muammer Gadaffi's attempt to export revolution and foster terrorism has brought them under in-

with the Libyan leader's philosophy of replacing conventional government by "direct democracy by the people," can now be expected to come under even tighter security surveillance as the West braces for the Libyan response to the US air raids. Whatever name is used for Libya's diplomatic representa-tives abroad, security officials in many countries believe that

form of smuggling weapons and providing funds for terrorists.

European countries have to picion.

This month both France and wrestle with the problem of how In Bonn this surveillance was suburbs.

David Lennon looks at the role of Gadaffi's envoys

pressure on the Libyans to arm and finance fanalics, reduce the size of their people's

The allied powers in bureau staffs in most European

Britain severed diplomatic relations with Libva in 1984 after Pc Yvonne Fletcher was killed by bullets fired from the People's Bureau in St James's Square. Today there are only two Libyan diplomats in. London, operating out of the

creasing suspicion and led to the EEC decision on Monday to diplomats, two from each country which all the evitine May 1985 assassination of the Libyan their movements.

The embassies, renamed following the latest EEC consequences and the embassies, renamed following the latest EEC consequences and all the evitine May 1985 assassination of the Libyan and abuses these privileges to Unconfirmed reports said that diplomat, were expelled in January because of alleged involvement in a planned assassination are prominent. Libyan opposition figure. and abuses these privileges to

Berlin travelling into the official staff to nine. Western-controlled part of the

of the bombing of a Berlin the official Libyan representa-nightchub on April 5 which tion to 13. killed two people and left The Belgian Government is

rm and finance fanatics. four diplomats were quietly
The allied powers in West asked to leave the country at Berlin have barred diplomats that time. Last week's expulsion which is in itself considered from the Libyan Bureau in East of two more has reduced the relatively large compared to

The decision by Paris to expel two diplomats last week This decision was made fol-lowing very strong pressure ment in a planned bomb attack from Washington in the wake on the US Embassy has reduced

in many countries believe that they abuse the conventions on diplomatic immunity to give assistance to revolutionaries and terrorists.

In some cases this is reported to have taken the very practical form of smuggling weapons and the smuggling smuggling smuggling weapons and the smuggling smuggling smuggling weapons and the smuggling smuggling smuggling smuggling smuggling weapons and the smuggling smuggling

the Bureau is still considerably overstaffed, possibly having a personnel of 20 compared to the official contingent of five. Three members of staff, including one diplomat, were expelled in January, because of alleged, involve.

In Vienna the Libyan Government has 17 listed diplomats, other embassies.
There have been no incidents

in Copenhagen which have led the Danish authorities to express undue concern about the activities of the five diplomats accredited there. In Athens, which basically is sympathetic towards Libya, the

four diplomats at the People's Bureau are under no restrictions whatsoever.

Research by FT Correspondents in Athens, Bonn, Brussels, Copenhagen, Madrid, Rome and



The head of the People's Bureau in London being expelled from London in 1984 following the killing of Pc Yvonne

## Pravda says Nato allies bear responsibility for US air raids

said vesterday that Nato governist acts may bring," it said.
ments, expecially Britain, bore A commentary by the official some responsibility for the air newsagency Tass said Britain was a raids, reports Reuter from Moscow.

A commentary in the Communist
agency described Britain as a third Party daily newspaper said they US aircraft carrier.

had been too indecisive and timid in the West German press was telling the US of their objections to sharply divided. Rupert Cornwell the planned strike. "Thus the Nato reports from Bonn. But on one governments, and above all Brit-thing commentators on both the left ain . . . bear a burden of responsibil- and right agreed: that Europe's fail-

Notice to the Holders of the

4%% US-\$ Conv. Debentures 1976-1991 (Swiss Security No 643 025) and the

4%% US-\$ Conv. Debentures 1979-1993 (Swiss Security No 643 026) and the 7 % US-\$ Debentures with Warrants 1983-1990 (Swiss Security No 642 955,

No 643 232 for the Warrants)

of Credit Suisse (Bahamas) Limited

In compliance with the Trust Deeds constituting the above mentioned Debentures and

Warrants, Notice is hereby given that at the Annual General Meeting held on March 20,

1986 the shareholders of Credit Suisse have approved to increase the share capital from

In conformity with the Trust Deeds and the Terms and Conditions of the Debentures,

the Conversion Prices for the Convertible Debentures and the exercise price of the

US-\$ 899.22 plus Sfr. 50.— for one Debenture (US-\$ 1000 principal amount) of the 4%% Conv. issue 1976–1991, the price of Sfr. 50.— representing the par value of one participation certificate of CS Holding

value of one participation certificate of CS Holding.

Sfr. 2074. - per «Unit» under the 7% US-\$ Debentures with Warrants 1983-1990.

The above mentioned conversion prices as well as the exercise price of the warrants are

plus Sfr. 50.- for one Debenture (US-\$ 1250 principal amount) of the

44% Conv. issue 1979-1993, the price of Sfr. 50.- representing the par

**Credit Suisse (Bahamas) Limited** 

Sfr. 1650 Mio. to a total of Sfr. 1850 Mio.

Warrants have, therefore, been reduced to

Credit Suisse (Bahamas) Limited

effective as of April 17, 1986.

make military action inevitable.

The authoritative Frankfurter Allgemeine Zeitung said Europeans must ask if they had not themselves created one of the most important reasons why the US resorted to

The Americans read Europe's unwillingness to take economic ain ... bear a burden of responsibil- and right agreed: that Europe's fail- sanctions as proof that, basically, it ity for any unpredictable conse- ure to act more decisively and pro- was frightened of revenge by Col

**Credit Suisse** 

Credit Suisse

THE SOVIET newspaper Pravda quences which Washington's terror- duce convincing alternatives helped Gadaffi. So Washington decided to go it alone."

The newspaper was, however, optimistic that the crisis could be contained. There is hardly any evidence that it will spread, because in reality Gadaffi is isolated." Die Welt and Bild Zeitung, both

of the conservative Axel Springer group, said the returns were not yet in on the wisdom of the US raids. "But a resolute stance by Europe would have prevented it."

The Italian press commented in surprisingly subdued tones, James Buxton reports from Rome. But in La Republica, the leading Rome daily paper, commentator Sandro Viola strongly criticised the US: "It is clear that the Washington Gov-ernment launched the biggest American military operation since Vietnam without taking any notice of the objections, requests, in short, of the interests of its allies."

The West should now combat terrorism with the maximum energy and "at the same time address itself to the basic reasons that have made the Mediterranean into a jungle and recognise that there will never be peace in the region until the rights of the Palestinian people are recognised."

In France Le Monde voiced its disapproval, reports David Marsh from Paris, and said the Americans had shown a "lack of imagination" in their response to terrorism. The attack was a fresh blow to

US-Soviet relations which could

persuade Moscow to profit from "rifts in the US camp" to find new partners in Europe and Asia. Europeans had the impression that President Reagan was still fighting the Second World War. The raid would only increase the "morbid hate" felt by Col Gadaffi for the US. World terrorism was directed from a series of centres, not just

Tripoli.

Bombardment was not likely to tomed to using acts of war to deal remove the source but rather spark reprisals which would then have to met by more force. Post-war history from Suez to Vietnam and Leb-anon had shown that very few miliopment of violence and countertary strikes had produced hoped-for

not made any less so because some mad and bad. If not dangerous to bombs missed their targets. The the Western powers, he is, at least, Americans who gave us invaluable a source of chronic lethal mischief help during the Falklands war had a right to expect British support.

acted directly and with limited force against Gadaffi The American strike was carried shall have come to a sorry pass if we spend the weeks and months to out with less than surgical efficien-

tempting to do what everyone else

has shrunk from doing. The Sun: A cost always has to be paid for standing up to evil men. Mr Reagan has been prepared to pay that price. The Atlantic is broad. but all our ties, all our ideals bind us to the US. As for the Europeans, what do we have in common with President Mitterrand, who had not the backbone to allow bombers to By over France? We are close to

Europe only by geography. Daily Mirror: Mr Reagan is a hero at home, but one photo of an innocent child maimed by a stray bomb could lose the propaganda war. He and Mrs Thatcher say there is solid, irrefutable evidence that Gadaffi was planning more terrorist outrages. They had better publish it, and quick.

In Stockholm, writes Kevin Done, Sweden's leading morning newspa-per, Dagens Nyheter, said: "The American air attack must be condemned in the sharpest terms. The world must never become accus-

By choosing such a dangerous path, the US ran the risk of creating an even more unmanageable devel-

Daily Express: The American action was entirely justified. It was Telegraph: Col Gadaffi of Libya is to their citizens. The world will be a better place when the Libyan lead-

Daily Mail: While many in Europe have wrung their hands or shrugged their shoulders, the President of the United States has now better place when the Lit er has departed from it. For better or worse Brasive party to the bombing and is thus place. For better or worse Britain is a passive party to the American bombing and is thus placed in the front line as a terrorist target. We come in an agony of apprehension cy. It is no reason to put Ronald about what revenge a tinpot Arab Reagan in the dock when he is at-dictator may seek to extract from us for the blow to his demented con-

> The Times: The justification for the US raid ought not to have been in doubt. There are many reasons why Britain needs Mrs Thatcher to be the strong leader of a strong and united party, but the need to communicate an unambiguous sense of the military relation between this country and the United States is arguably the most important task that remains to her. Beside this need, all else must pale.

ceiŁ

The Guardian: They were wrong to do it, and we were foolish to help them. The Colonel is peripheral to any positive Middle East dialogue. He has (as we see today) no friends. His adventures and dreams are ďust.

It is a delusion to think that his demise will see the end of interna-tional terrorism. While Britain tags dumbly and miserably behind Ronald Reagan, he is right to see an op-portunity; and Mrs Thatcher is

## **Bonn claims** proof of Gadaffi link

IN THE face of sustained anger IN THE tace of sustained anger from the opposition parties, the West German centre-right coalition yesterday moved further behind the US over the crisis with Libya — claiming compatible theatishly that it too crisis with Libya — claiming somewhat sheepishly that it too now had clear proof of Libyan involvement in the West Berlin discotheque bombing on April 5. writes Rupert Cornwell in

The "proof" which Bonn The "proof" which Bonn now claims to have (as opposed to the mere "pointers" referred to in recent days) appear to be intercepts by West German intelligence of the same radio messages between Tripoli and the Libyan People's Bureau in East Berlin immediately before and after the ately before and after the discotheque attack, which killed two and wounded 230, 63 of them Americans.

But embarrassed Government spokesmen were unable to explain convincingly why it had explain convincingly why it had taken Bonn so much longer to decode them than American intelligence — fuelling the suspicion that West Germany had in fact had the same information some days earlier than the "beginning of this week" as claimed yesterday.

The existence of the evidence was referred to in the Bundestag yesterday by Chan-cellor Heimut Kohl, in a policy cellor Heimut Kohl, in a policy declaration which left no doubt how Bonn, whatever its previous misgivings, was now closing ranks with the Ameri-

It was unacceptable, he said, It was unacceptable, he said, for a US Government spokes, man to say that the resolution adopted on Monday by EEC Foreign Ministers in The Hague had played no part in the US decision on how to deal with tibes. Libya.

## Libya says **US** must be taught a lesson

By-John Eliott in New Delhi

A CALL for the non-aligned Libya carried ou with British support by "teach-ing these powers a lesson" and making them "face the conse-quences" was issued by the Foreign Minister of Libya in an conference in New Delhi yester-

The Indian Parliament vesterday also condemned the attacks during a special debate and the tis centre near the central shopping area of Delhi was occupied by protesting students.

Shortly after he arrived from Libya by special aircraft, Mr Kamal Hasan al-Mansur, secrefary of the people's committee of Libya's foreign liaison bureau, addressed the conference which yesterday condemned the US attacks in an emergency session. emergency session.

Mr al-Mansur said the US ad "attacked villages and towns and sown terror—it will have to face the consequences." He said the movement had a

responsibility to respond posi-tively. Members should cut off political and economic links with the US. Earlier, at the opening of the Earlier, at the opening of the routine plenary session of the movement's co-ordinating burcau, Mr Rajiv Gandhi, India's Prime Minister and chairman of the movement, repeated his criticisms of the raids on Libya which he had delivered vectorize.

delivered yesterday He said that Libya had been he said that Libya had been attacked in violation of international law. "Its sovereignty has been transgressed, its integrity impugned. We cannot but condemn this, At this moment of crisis Libya has the full support and expressions." full support and sympathy of all her colleagues in the non-allgned movement."

An official of the US Embassy in Khartoum was shot and seriously injured late on Tuesday in an apparent act of retaliation following the recent

IBM cancels meeting IBM Spain has cancelled a regional sales meeting scheduled April 20-21 on the Mediterranean island of Mallorca because of Libyan threats against Spain an IBM

After consultation with IBM's European headquarters in Paris, the Spanish branch of the US data processing multi-national decided to cancel the joint sales meeting with IBM Switzerland which was to have been attended by more than

UK COMPANY NEWS

DAILY IN THE FT

US official shot

retaliation following the recent US air strike against Libyan targets, writes John Murray Brown in Khartoum. The man as yet unidentified was evacuated to Saudi Arabia where his condition was said to be stable. Yesterday thousands took to Khartoum's streets in a demonstration against the US attack. They gathered in front of the Cabinet office before dispersing after riot police blocked all roads to the US embassy.

threats against Spain, an IBM spokesman said yesterday, AP reports.

But the Chancellor added in a clear reference to the Social Democrats (SPD) and Greens: "We will not allow anyone to use the military strike as a means of stoking up a primitive anti-Americanism."

European headquarters in Paris, the Spanish branch of the US data processing multi-nitional decided to cancel the joint sales meeting with IBM Switzerland which was to have been attended by more than 2,000 people.

## Saudi payment. delays 'could' for new Gatt round sy Christian Tyles, Tr

BY RICHARD COWPER, RECENTLY IN RIYADH

Government of Saudi Arabis or ment to reduce expenditures its agencies to foreign and local from \$83bn in 1881-82 to an companies for completed conestimated \$40bn this year. struction work or goods de-

Danies from the Far East, the US. Europe and Saudi Arabia. Diplomats say that US companies, for example, are owed over \$2bn. South Korean around \$2bn, Japanese upwards of \$750m and French companies over \$350m panies over \$350m Many of these payments.

they say, have been outstanding for more than 12 months. A complete breakdown of the payment arrears is difficult to obtain, but bankers and diplomats estimate that for all companies, including local Saudi Arabian ventures, it ranges between \$8bn and

The Saudi government pub-licly denies it is operating a conscious policy of holding up payments. It says the reason for the delays is that work has not been completed according to

PAYMENT DELAYS by the This has forced the govern

livered could total more than subset of a special the setting up of a special ministerial committee to review the Saudi capital.

In January Aing remaindered the setting up of a special ministerial committee to review the Saudi capital. Hardest hit have been com- officials from overseas visited

Hundreds of small Saudi contractors have ceased trading and at least one medium-sized foreign joint venture—Carlson at Saudia, a partnership between Carlson of the US and local investors—has collapsed because of what they allege is failure to be paid.

Britain has been less affected than most, mainly because its companies failed to win many of the large contracts in what was until recently the higgest

construction market in the been completed according to specification or within the agreed time schedule.

In private, however, civil largest construction companies, servants admit the main reason for the problem is the sharp decline in hudgetary revenues.

was until recently the biggest

for the problem is the sharp because of what they claim was decline in budgetary revenues non-payment for work carried arising out of the world oil glut.

on Saturday of trade and agri-culture ministers of the US and

to amend the General Agree-ment so as to liberalise trade on all fronts. Some of the new areas could be covered by codes rather than new Gatt rules.

## **US wants** wide agenda **Gatt round**

By Christian Tyler, Trade Editor THE US hopes to secure a clear and specific commitment to the widest possible agenda for international trade negotiations from the meeting in Paris today and tomorrow of ministers from the world's 24 richest nations.

special and trade is due to be launched under the auspices of the General Agreement on Tariffs, and Trade (Gatt) this speeding up payments.

The Americans are anxious to maintain the momentum by making sure the new Gatt round is prominent in the first others the financial strains have proved too much.

Hundreds of small Saudi control of the strains have been und at least treelow.

Economic Co-operation and Development (OECD).

According to a senior US official, speaking on his way to Paris yesterday, a clear declaration of intent by OECD ministers was needed in preparation for the seven-nation economic summit in Tokyo next month.

It would also be a signal to It would also be a signal to the developing country mem-bers of the Gatt, some of whom have been wary of the new round that there was no loss of determination by the world's biggest trading nations to tackle

new issues.
It is not expected that current bilateral trade disputes, such as the row between the US and Europe about farm exports fol-lowing the accession of Spain and Portugal to the EEC, will prevent the OECD making a further pledge to pursue trade

negotiations.

But the dispute will almost certainly be discussed behind the scenes ahead of a meeting

EEC.
That meeting was originally arranged in an effort to find common ground for prospective negotiations on agriculture as part of the planned Gatt round.
Although the US wants the widest possible agenda, officials accept that it may be impossible to amend the General Agree-

## Southern Africa seeks sanctions 'insurance'

by patti waldmeir, recently in mozambique

TWENTY-SEVEN of southern Africa's largest aid donors are due to meet this week in the Indian Ocean port of Beira to discuss funding for an ambitious \$200m "insurance policy" for the region. The aim is to counter South Africa's threat to impose transport sanctions against its black neighbours.

The possibility that Pretoria might close its borders if western nations impose major economic sanctions against the republic hangs heavy over the southern African region, which relies on South Africa's ports and railways for the bulk of its foreign trade.

The development of alterna-

tive transport routes through the Mozambican ports of Beira, Maputo and Nacala is being regarded as an urgent priority by the governments concerned, especially landlocked Zimbabwe which sends more than 90 per cent of its overseas cargo traffic through South Africa.

The so-called "Beira corridor," a vital rail, road and

corridor, a vital rail, road and oil pipeline link between the Mozambican port and eastern Zimbabwe, forms the centrepiece of a transport plan for the region drawn up by the seven-nation Southern African Development Coordination Conference (SADCC)

Development Coordination Conference (SADCC).

Beira is the nearest port to northern and north-eastern Zimbabwe, southern Malawi and parts of Zambia, It is less than one third the distance from Harare, the Zimbabwe capital, than the South African port of Durban, more than 2,000 kilometres away.

The meeting, being held today and tomorrow, will bring together officials of the SADCC countries and donors from the West, the multilateral institutions and the Eastern bloc. It will focus on a \$69m "contingency plan" for 1986-87 aimed at upgrading and rehabilitating the corridor to handle a sudden increase in traffic from Zimbabwe in the event of a frontier closure.

The plan includes a further \$135m in longer-term development projects for the port of Beira and its hinterland. Tackling the port and corridor is clearly a tall order: Beira Port has suffered from years of under-investment and neglect. This is the result of a lack of trained personnel and Mozambique's severe foreign exchange shortage, brought on largely by South African-backed guerrilla insurgency.

The port is notorious for in-efficiency, pilfering and long delays. Throughput has fallen from 4.3m port tonnes in 1965 to 1.3m tonnes in 1984. Zimbabwe exporters who visited the port recently are

understood to have described it as a "shambles." The railyway has serious management problems and requires extensive rehabilitation. The plan includes projects to improve the management and organisation of CFM, the Mozambican railways, construction of a multi-purpose and con-

tainer cranes and forklift trucks and a new oil terminal. It also envisages improvements to port railways, upgrading and repairs to the Beira to Machipanda (border) rail line, improvements to the appalling state of CFM telecommunications, and civil aviation pro-

SADCC officials say the \$200m priority plan would boost Beira port traffic to 5m tonnes in 1990 from less than Im last year, too optimistic.

tainer handling terminal at the port, channel dredging, terminal equipment, such as conaid donors by officials of SATCC,

and Communications Commission which is chairing the connetwork leading to Beira. SATCC officials at the group's African.

headquarters in Maputo are anxious to stress the economic benefits of the development plan rather than its political expediency.

Reduced transport costs by rail and road to Beira, against the cost of using more distant South African ports, would save of \$5.5m for track rehabilitation. some \$105 per tonne for Zimbabwe and \$180 per tonne for Malawi, according to SATCC estimates. Total savings to Zimbabwe and Malawi are estimated. mated at \$455m a year. This assumes, however, that both countries would be free to use the most economic Mozambican ports: Maputo and Beira for Zimbabwe, Nacala and Beira for Malawi.

Malawi.

No amount of foreign funding can guarantee this: Zimbabwe cannot now use the "Limpopo" rail line to Maputo port because rebel attacks by the Mozambique National Resistance (MNR) have closed it, leaving £10m in British aid to rehabilitate the line largely unspent. The Beira-Malawi rail line is closed because of MNR attacks, and the Beira corridor itself reallowing the corridor to carry

The Beira-Malawi rail line is
the bulk of Zimbabwe closed because of MNR attacks,
traffic which now uses South
Africa. Many donors believe,
however, that the timetable is
5,000 Zimbabwe troops have

the Southern African Transport The Nordic countries, which appear among the most enthusiastic backers, may wish to show ference, are chosen from a active support for southern \$660m 10-year development plan Africa. While the US and UK for the port and the transport will not wish to adopt a position will not wish to adopt a position which may appear pro-South

Washington and London, however, are decidely unenthusias-tic about the project, which they see as unrealistic and too grandiose. The UK is likely to make only a token contribution and the US is unlikely to in-crease its commitment last year

The European Community has pledged Ecu 40m and the Dutch already heavily involved in channel dredging and other port work, are also likely to commit further sums.

Nonetheless, if the South African border remains open, transport experts in Mozambique say it will be many years before the new Beira port could compete with the more efficient South African ports.

Shippers' confidence in the efficiency and reliability of the port may be very slow to return and South Africa's current practice of offering discount rail and port rates to attract custom away from Mozabican ports is unlikely to be discontinued.

And whether the border is open or closed, there would be 5,000 Zimbabwe troops have been deployed to defend it.

Donors' decisions whether to choose from the Beira projects menu will be largely political.

## Aerospatiale wins \$200m **European satellite order**

BY DAVID MARSH IN PARIS

AEROSPATIALE, the French Thomson Espace from France, state-owned aerospace group, Messerschmitt Boelkow Blohm has won a \$200m (£142m) order of West Germany, Marconi from from the European satellite Britain, Italy's Aeritalia, Beltelecomunications organisation gium's Etca and Ericsson from Eutelsat to build three com-Sweden. Sweden munications satellites for the The first satellite is due to be munications satellites for the end of the decade.

fierce competition with Matra, craft with the European Arians, the other big French satellite rocket.

manufacturer, gives the consortation led by Aérospatiale options to build a further five satellites.

The order comes at a delicate future craft there is little doubt time for the international satellites. It is sufficient towards are concerned about a slump in orders in coming years.

This is likely to be caused by order with Matra, linked up the concerned and the concerned are concerned about a slump in orders in coming years.

sluggish demand for direct with British Aerospace downgrading of expected con-

and television services within and technical grounds, a Eutel-Europe, with another two craft sat spokesman said, although

year and April 1987. Other companies in the Aero-

Thai Oil to sign \$500m

refinery expansion deals

THE semi-state-owned Thai Oil tium led by Chaiyoda Chemical

company will tomorrow sign six Engineering and Construction contracts worth about \$500m which is to carry out the refinery involving its refinery expansion project.

NOTICE OF REDEMPTION

To the Holders of

The Industrial Bank of Japan

Finance Company N.V.

Guaranteed Floating Rate Notes due November 1988 (U.S.\$50,000,000 — dated as of 18th November 1981)

NOTICE IS HEREBY GIVEN that, pursuant to Paragraph 6(b) of the above Notes, the undersigned has elected to and will redeem on May 20, 1986 all of the said Notes at a redemption price of 100 per cent. of their principal amount.

On or offer Mar 20, 1998 and Notes will become due and revuelle

per cent. of their principal amount.

On or after May 20, 1986 said Notes will become due and payable in such currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. The Notes will be paid upon presentation and surrender debts. The Notes will be paid upon presentation and surrender thereof, with the November 1986 and subsequent coupons to thereof, with the November 1986 and subsequent coupons to maturity attached, at the option of the holder at any one of the specified offices of the following paying agents: the office of The specified offices of the following paying agents: the office of The Industrial Bank of Singapore Limited in Singapore, office of The Industrial Bank of Japan, Limited in London, the office of The Industrial Bank of Japan, Limited in London, the office of The Industrial Bank of Japan (Luxembourg) S.A-in Luxembourg, the office of Industriebank von Japan (Deutschland) A.G. enhours, the office of Industriebank von Japan (Deutschland) A.G. in Frankfurt am Main, the principal offices of Morgan Guaranty in Frankfurt am Main, the principal offices of Morgan Guaranty Trust Company of New York in Brussels and Paris and the main office of Swiss Bank Corporation in Basle.

Payments other than in New York City will be made by U.S. dollar

Payments other than in New York City will be made by U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with a bank in New York City.

Coupons due May 1986 should be detached and, on or after May 20, 1986, collected in the usual manner.

From and after May 20, 1986 interest on all said Notes will cease

BY BOONSONG KTHANA IN BANGKOK

expansion project on Thailand's

The launching of the project

has been long delayed mainly because of concern about its

viability. It involves the instal-

Tokyo, include:

A \$195m contract with the

Japanese construction consor-

launched in 1989. Eutelsat has The order, awarded after up to now launched its space, fierce competition with Matra, craft with the European Arians, the other his Franch sutelline maket.

television satellites in the indus-consortium which built Eutel-trial countries and a sharp sat's first batch of satellites under a contract arranged with tracts for spacecraft from coun- the European Space Age tries in the developing world.

Eutelsat is operating two judges to have been slightly satellites providing telephone better than: Matra's on price The Aerospatiale bid due to be launched in July this the gap between the two was narrow.

Eutelsat will decide whether Other companies in the Aero-spatiale consortium supplying or not to engage its optional the new craft are Alcatel orders in the next few years,

● A 230m syndicated loan agree

sortium headed by the Bank of Tokyo International (Hong Kong), a unit of the Bank of

Tokyo. The loan will be used

ment with a Japanese ban

## Bordeaux wine exports rise

FRANCE exported FFr 4bn are optimistic that the recent senior official at the Bordeaux (£333m)-worth of Bordeaux methanol poisoning scandal in wine association. "Italy's probwines in 1985 — a total of Italy will not affect this year's lem is extremely localised and 1,635,000 hectolitres, the Bor-deaux wine producers' asso-31 per cent increase in turnover from 1984. Britain was the largest importer, taking 257,000 hectolitres. The Netherlands and Belgium imported 256,000 and 255,000 hectolitres

sales to the US.

Bordeaux wine sales will
The US is France's fourth probably only register a minute These figures show a 9 per cent increase in volume and a 31 per cent increase.

the US high, particularly with growing competition from Cali-fornian wines.

"Although it is too early to give exact figures, there is absolutely no cause for alarm," respectively. absolutely no cause for alarm," based Bordeaux wine producers said Mrs Bernadette Henri, a group.

## Hard currency shortage hits Polish exporters

BY CHRISTOPHER BOBINSKI IN WARSAW

POLISH exporters' rights to omic reform of which the retain a share of their hard retention account system which currency earnings and spend leaves some 20 per cent of hard them as they see fit are being currency earnings in company

npany moved into the self-s

linked pensions market with the issue of a Personal Pension Bond linked to Managed

addition to this, however, there was a further surplus earned in 1985 amounting to some £300,000 which has been retained within the

Revenue Account to finance future expansion,

and at the same time mitigate possible adverse

Canterbury Life Assurance Company Ltd.

Conterbury Life's year end is currently 30th

June and therefore, to the in with other Group companies it is planned to change this to 31 st December as from 1986. For the year to 30th

June 1985, premium income was £2.8 m., with a

total life assurance fund of £8.3 m. at that date The profit other tax for that year was £78,000 and the figures as at 30th June 1985 have been consolidated with the accounts of other Group

companies as at 31st December 1985. Since June the new business of Contenbury Life is oftend of the comparable figures for the previous year, and work is progressing on the

sign of appropriate new contracts.

Marlborough Court Fund Managers Ltd.

The unit trusts made further progress during

1985 and funds under management (almost wholly derived from other Group subsidiaries)

had reached over £24 m, by the year end. Profit rose to £52,000 ofter tax (1984 £12,000).

General Insurance

The Motor account, where the premium income increased by 7%, suffered an underwriting loss of £1,082,000 following a loss of £621,000 in 1984. Claim trequency has

There was an increase of 1% in net written

Property premiums, and the underwriting loss of £359,000 compares with a loss of £469,000 in 1984. This improvement has been achieved in

spite of the adverse weather conditions in the

early part of the year and the continuing increa

theft losses.

The total underwriting loss is £1,246,000

paginst £1,096,000 last year. Investment incom

£55,000 from General Branch business for the year. A sum of £50,000 has been transferred from

Reserves to the Profit and Loss Account.

is the same as in 1984 and there is a net deficit of

£10.3 m, £10.0 m.

Premium Income

ncrease

a Fears that American consumers will be wary of all such accounts sumers will be wary of all ground of a hard currency earnings in company hards, is seen as a successful ground of a hard currency element.

European wines after the ground of a hard currency element.

European wines after the dismissed yesterday by Mr Jacques Théo, director of Eschenauer, the Bordeaux wine distributor, owned by the UK-based multinational Lourbo group.

Estimates and spend leaves some 20 per cent of hard currency earnings in company hards, is seen as a successful element.

Experience (Gospodacze, the econheld such accounts containing omic weekly, has reported that \$45m £603m). Company holds the companies retention were taken throughout the year accounts is delaying payments.

This runs counter to the ground of a hard currency earnings in company hards, is seen as a successful element.

In 1985, 2.278 companies held such accounts containing omic weekly, has reported that such accounts to spend \$758.9m holds the companies retention were taken throughout the year accounts is delaying payments.



# Refuge Group

GROUP CHAIRMAN'S STATEMENT AND GROUP CHIEF EXECUTIVE'S REVIEW OF OPERATIONS TO BE PRESENTED TO THE ANNUAL GENERAL MEETING TO BE HELD 9TH MAY 1986.



## **CHAIRMAN'S**

STATEMENT Group Company proved to be a very active one in building the foundations for future expansion. A successful year was recorded by our wholly owned subsidiary companies, Refuge Assurance PLC, Refuge Investments Limited and Mariborough Court Fund Managers. Limited and Addition, in April, the Group acquired the whole of the issued share capital of Canterbury Life Assurance Company Limited. Canterbury Life of the issued share capital of Camerbury Life Assurance Campony Limited. Camerbury Life has been trading now far twelve years, has a broad range of policies, and from its Head Office in Camerbury will operate as an independent member of the Refuge Group.

independent member of the Refuge Group.
Another step being taken by the Group is in
the formation of its own personal loans company,
RLI Finance Ltd. This is a subsidiary of the Group
operated in conjunction with the merchant bank,
Leopold Joseph & Sons Ltd., in which we have a
substantial interest. Mr. F. Carter, who has had
wide experience in the credit field, has been
appointed Director & General Manager of the
new Company. He loak up his duties on 10th
March 1986.
The total life yearly premium income through

lation of a hydrocracker and a high vacuum unit at Thai Oil's 65,000 b/d refinery in Chou uri Province accord with the Security Pacific
The six deals, to be signed in Bank Asia, a unit of Security The total life yearly premium income through Refuge Assurance and Refuge Investments increased by 6.2% over that for 1984, compared Pacific Bank which is one of the 10 largest US banks. The loan is earmarked for expenditures.

increased by 6.2% over that for 1994, compared with the year-an-year average increase in the Retail Price Index of 6.1%. Single premium business had another successful year with an increase in premiums of 28.8%.

Our move to Fulshaw Park, Wilmstow made further progress. Management Contractors we appointed in May and preliminary work on the site started in June. The work is currently on target and we hape to occupy the premises before the end of 1987.

**Board of Directors** 

ere very pleased to announce the ent to the Group Board as from 1st ugust 1985 of Mr. E. Davies and Mr. A.G. Kennedy. Both bring wide experience to the Group, Edward Davies being Managing Director of Provident Financial Group PLC and Kennedy being until recently Deputy man & Chief Executive of the Thomas Cook Group, but now a Director of Trafalgar House
PLC and Managing Director of their shipping,
buttle and minima.

Mr. D.B. Berry and Mr. R. Stevenson will be stiring from the Board of the principal operation subsidiary, Refuge Assurance, as from the date of the Annual General Meeting of that Compan or the Annual Seneral Meeting of that Compan 24th April 1986. Dennis Berry is a farmer General Monager, later Managing Director & Chief Escative of the Company, and served a term as Chairman of the Industrial Life Offices Association. Ray Stevenson is a former General Manager of the Company and was one of the principal architects of the Company's first ersion into computers over Iwenty years ago. They leave with our grateful thanks for many years of valuable service to the Company. Their places on the Board will be taken by Mr. I. M. Colgan, Secretary and Mr. J.M. Walker, Solicitor.

Refuge Assurance Management

Mr. J. Swarbrick, who had been General Manager (General Branch) since 1st January 1982, retired on 6th March 1986, John Swarbrick as played the principal role in the developme of the Company's General Branch since direct underwriting operations commenced in 1972. He should not overlook the cost of manage leaves with our wishes for a happy retirement and grateful thanks for all his innovative work "self-regulation" does not do irreparab

1985 was the ninth successive year in which

1780 was the first successive year in which UK equity prices (as measured by the FT-A All-Share index) rose, on this occasion by a shade over 15%. Overseas equities, too, improved — although the rises in local currency terms were countered to some extent by the effect of a stronger pound. Gilts and other fixed interest securities showed little change, while langer or a stronger pounts. One and other state interest securities showed little change, while longer index-linked stocks — reflecting in part a more optimistic view of inflation — actually fell in opmissic view at initation — actually fell in price. Property values overall rose, helped by a budyant retailing sector and by a substantial demand for offices in the City. By the end of the year the market value of the Group's assets had reached £1,401 millions, a rise of £152 millions since the end of 1984, it is interesting to note that it has taken just how ways for traited create to since the end of 1984. It is interesting to note that it has taken just five years for total assets to

During the year we made our first westments in woodlands. Five modest urchoses were made, four in south-west cotland and the fifth in south-west cotland and the fifth in south-west A significant feature of the year was the icreased number and, especially, size of Increased number and, sepectarly, sale or lockeover bids. As long-term investors we have in the past been able to welcome many such proposals, provided they seemed likely to lead to a more efficient use of resources, regardless of whether the bid actually succeeded. Some aspects of recent bids, however, for example the

aspects or receit buts, intervers, in extrained the new financing techniques, mean that not even the largest of companies can feel secure.

Managements may become more willing to maximize short-term earnings and dividends at the expense of langer term projects, or may seek to become less attractives to a predator by making incontinus arguisitions or disposales in making incontious acquisi r case the implication for investors is acome. With over half of our total its in equities we shall need to scrutir any such developments with care.

Profit and Loss Account The total profits for the year including restment income, amounted to £6,967,000 an increase of £967,000 over the previous year. The final net dividend of 9.25p per share makes a total for the year of 13.75p per share, an increase of 17%.

Shareholdings

At the beginning of this year a number of legendent Canadian Investment Trusts and pendent Canadian Investment Trusts and rance Companies amalgamated their resurance companies amangamased meli-separate holdings in your Company and transferred them in exchange for shares in a nawly formed company, Canadian (Refuge) Holdings Lid. Your Board has been given an 10 per cent of our issued share copital, is for term investment assessment assets assessment assessment assessment assessment assessment assess

year to the subject of the never ending spate of regulations which add to the burdens on ness. The Financial Services Bill published towards the end of December proposes measures that will have greater effect an our measures that will have greater effect an our measures that will have greater effect and our measure for the last 40 business than any other measure for the lost 40 years, in trying to protect the consumer against some of the fringe operators in the frinancial sector the Government will be adding enormously to the cost of running well established reputable businesses with very low levels of complaint from their customers. We "self-regulation" does not do irreparable damage to Home Service business. The mojor

part of the cost of all new regulations is met by our policyholders in terms of lower bonuses than launch of the first contract, less than five years they would otherwise have had.

In this time of unremittent change, both inside launched: the Equity Fund, International Fund launched: the Equity Fund, International Fund and Special Situations Fund. These now and outside the Company, increasing pressures are placed on management and staff, I express my grateful thanks to them for making possible the results placed before you. complement the already successful Managed and Property Funds. Also during 1985 the

P.W.D. Smith 77

Pension and Property Pension Funds.
After taking credit for Investment Income, the profit after tax was £74,000 (1984 £47,000). In CHIEF EXECUTIVE'S REVIEW OF OPERATIONS

Refuge Assurance-Ordinary Branch £30.9 m. £28.8 m. thorease.

There was an increase in the level of new business written during the vecy, which business written during the year, which included a significant growth in self-employed pension contracts. This is in no small measure due to the increase achieved in the number of sales per producer, many of whom out-performed Company targets to a significant

£34.67 tn. (1984 £30.45 m.) of which £2.725 m. has been transferred to the Profit & Loss Account The record levels of reversionary bonuses eclared last year have been maintained and this year a special reversionary bonus has been declared. Terminal bonuses have been amended

The total surplus for the year amounted to

o increase amounts to be paid in respect of anger term with profit assurances. Refuge Assurance-Industrial Branch 1985

£65.3 m. £62.0 m. 5,3% There was a significant increase in the level

of new business written during the year, arising both from increased sales and higher premium levels. These were assisted by the "Refuge Money Bee Club" promotional campaign fo children's policies in the Spring, and the lounch in the Autumn of the "Tondem Plan". The latter is a mixture of five, ten and fifteen year maturity policies, incorporating double basic benefits an death for the shorter terms. It therefore ncorporates useful savinas tacil marketed via the "Home Service" arm of the ompany, with regular collection of premiums at

The total surplys for the year amounted to £35.40 m. (1984 £33.54 m.) of which £3.33 m. has been transferred in the Profit & Lass Account erred to the Profit & Loss Account f1984 £3.03 m.)

A record level of reversionary bonus has again been declared for the year. Terminal bonuses have been amended to increase amounts to be paid in respect of longer term

Refuge Investments Ltd. 1985 1984 £18.3 m. £14.1 m. 30% Our unit-linked subsidiary continues to go

from strength to strength. At 31st December 1985, the life assurance fund stood at over £40 m.

Administration Following the introduction of the new intrame computer, to which I referred lost or, a new accountancy system covering ansactions between Chief Office and District

transactions between Great Offices was introduced in early April. This securitated a very radical restructuring of

necessitated a very radical restructuring of departments at Chief Office, resulting in anothe step along the road towards increasing the efficiency of our administrative structure. technology, include the extension of word technology, include the extension of word processing and more extensive use of an-line computer facilities. On the personnel side, O & M investigations throughout Chief Office are part of a thorough review of operational and cost effectiveness being undertaken, staff at all levels being involved.

Marketing

The new product development committee, to which I referred last year, comprising members of management and staff from bath the Field and Chief Office has more than proved its worth. earlier parts of this review played no small part in the success of 1985. Their work continues and coupled with the administration changes, improved progress should be assured in the

Complementing the main marketing activity within the Group, extensive plans for the future have been prepared by the Direct Soles Manager appointed towards the end of 1984. se plans are being supplemented by complex notal business plans which include the design of new systems and products, appropriate to a new direct sales organisation. This will be a separate sales oriented Group subsidiary selling the products of Refuge Assurance and Refuge

Sponsorship of the Refuge Assurance National Championships at the West Midlands Tennis Centre, Telford continued in 1985. The press and radio publicity which had built up over the months was crowned by extended live television coverage on Channel 4 of the exching ladies' final. Continuation of our spansorship imo 1986 has already been agreed, and I am confident that improved name recognition is assured from the increasing success of this

championship, which commer backing) as recently as 1983. The immediate house mortgage scheme utilizing outside sources for funds, made further strides in 1985, widening the scape for our products and assisting in extending our areas for

marketing of financial products. The increase in the range of financial services which we have offered to the public over recent years has been significant — it continues.

A.T. Booth

## Refuge Group PLC

103 Oxford Street, Manchester, M60 7HA. Telephone: 061-236 9432.

Registered Number 1854686 England.

THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V.

and the second of the second o

Dated: April 17, 1986

meeting

#### **TECHNOLOGY**

Turmoil in the US Cad market is forcing the industry to face up to tough new challenges, reports Louise Kehoe, in San Francisco

industry is in turmoil. Geared to meet an expected surge in demand for computer tools which promise short cuts to complex design problems, many suppliers of computer-aided design 1 Code Section 200 design (Cad) systems are now having to face up to tough challenges created by rapid discriminating customer atti-

A major shake up is under way among US suppliers, which dominate the world market for puter-aided manufacturing and engineering equipment. The American market also accounts for roughly two thirds of worldwide Cad system sales, which totailed \$4.2bn last year.

Former industry leaders such and Aplicon have all suffered sharp falls in market share, while erstwhile high-flying newcomers such as Daisy Systems.
Mentor Graphics and Valid
Logic are also feeling the pinch.
The big winner, by contrast is
International Business International Business
Machines, which has risen
swiftly to top place in the industry.

In spite of the general weakness of capital spending by US industry. American Cad suppliers managed to increase their total sales by 23 per cent last year to about \$3m. according to Daratech. a US market research firm. However, this was less than half the 56 per cent growth rate in 1984 and many companies suffered a drop in profits.

Two principal factors are to

tems based on widely available high-performance personal computers, and particularly the Fluor, the learning process has IBM PC AT model. As well as hurting sales of costlier proprietary machines offered by "mindboggling," Mr Breen sugy established suppliers, gests. trend is spurring far- Stil

## Caught napping by slower growth

tems among users who say they have not achieved productivity improvements as big as they had hoped for. Industry analysts accuse Cad suppliers of having "over-promised and under-delivered."

"If you ask Cad users—did your Cad system provides a productivity improvement, 99 per cent will say yes," says Charles Foundyller, president of Dara-tech. "But if you ask them whether that productivity gain lived up to their expectations, you will find that only about 30 per cent will say yes.

"There has been too much hype in the Cad business," agrees William C. Breen, Senior Vice President of project oper-ations at Fluor Corporation, the large US construction and engineering company. "There is a lot of 'vapourware' sold as Cad software," he warns.

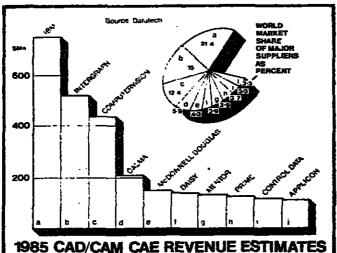
Fluor has been using Cad sys tems on its major plant design projects since 1974, making it one of the first companies to adopt the technology, and has several systems installed. But Cad "has not provided productivity advantage we had hoped for," Mr Breen says.

Flour's most sophisticated Cad systems, on which it performs three-dimensional modelling of major industrial plant projects, have proved more difficult to bring into operation than expected.

Mr Breen explains, users of such systems need to have con- An abrupt shift in favour siderable data processing exof a new generation of Cad sys- pertise in order to overcome problems in the systems. Even for a sophisticated Cad user like

Still, Fluor is convinced that reaching changes in the way the it is worth the effort to adopt Personal computer-based Cad industry makes its profits. new Cad techology: "We have systems are still largely a US sharply reduced.

Growing doubts about the just completed a job on which phenomenon. They are not practical benefits of Cad sys- we achieved 100 per cent nearly as popular so far in upon the creation of a new type ground, but is now moving fast lity of other Cad suppliers.



Normally, 3 to 4 per cent of field labour costs are expended on rework due to design errors. Personal computer-based Cad

systems sales rose from virtually nothing in 1983 to more than \$300m in revenue in 1984. Market research firm Dataquest forecasts a compound annual growth rate of over 50 per cent for personal computer Cad systems, bringing total sales to over \$2.5bn by 1990. More than 350 suppliers are

mpeting in the US to sell

Cad systems ranging in price from less than \$10,000 to more than \$100,000. "Users faced with choosing among growing numbers of systems and vendors are finding that under \$15,000 personal computer based systems often give them 70 per cent of the benefits for 20 per cent of the cost of expensive systems, adds Mr Foundyller.

Europe and the Far East Dataquest notes.

IBM has been the major beneficiary of the trend to personal computer-based Cad systems, but it has also provided opportunities for hundreds of software publishers who currently crowd the field.
Traditional Cad industry

leaders have been forced to adapt to the ubiquitous personal computer by rewriting part or all of their software to run on the cheaper machine.

The switch to personal computers has had a strong impact in the electronics Cad sector which is led by Daisy Systems, Mentor Graphic and Valid Logic, three companies which together created a new market for machines that are used to design circuit boards and inte-grated circuit chips. Suddenly two of these com-panies. Daisy and Valid, are

logic of electronic circuits as well as their physical charac-

"For a while people forgot that they were only providing a new computer application. Now, users are looking for standard hardware — personal computers and work-stations—to run their Cad applications." says Mr Foundyller.

The personal computer trend The personal computer trend is also part of a sharp swing away from the use of specially designed hardware for computer-aided design and toward the use of standard "platform"—general purpose computers ranging from IBM mainframes to Dec minicomputers and engineering work-stations offered by companies stations offered by companies such as Apollo and Sun Micro-

The use of standard com-puters for Cad has essentially turned Cad suppliers into soft-ware publishers. Companies that have been willing and able to adapt to this fundamental change have fared well, but those that have been slow to meet changing demands have their market share

Autodesk, the Californian company has done well in this area with its AutoCad software for PCs. It had sold about 35,000 copies by the end of last year. AutoCad is believed to have about twice as many users as any other Cad system and Daratech estimates revenues will top \$28m in the company's current financial year.

Computervision, the industry leader in 1984, is now struggling to halt mounting losses, which totalled over \$80m in 1985. Daratech estimates that Computervision's market share fell from 20 per cent in 1984 to

tasks of to adapt. Over the past 15 months Calma has reduced its workforce by nearly 50 per cent and is increasing research and development spending this year by 50 per cent. The company has recognised that it will gain competitive advantage through software rather than by making data processors, says Lelf Ros-qvist, director of sales and marketing.

The ability to connect Cad systems and other computers is becoming increasingly important to many Cad users. This is particularly true of electronics manufacturers who want Cad tools to link to computers that develop test programs and, in some cases, computer-controlled manufacturing equipment. Ultimtaely, Cad becomes part of totally automated "computer integrated manufa-ing" (CIM) environment.

Today, computer integrated anufacturing is more concept than reality. Demonstrations organised by companies such as General Motors and IBM have shown that it is possible to automate the entire process from design through to finished

Although CIM is probably more than a decade away for most manufacturing companies, it is clear that many Cad users are beginning to look at the acquisition of computer-aided complex capital investment plan that has repercussions far beyond the product development

When Cad purchase becomes a corporate decision, IBM benefits. While engineers might choose a different vendor, management likes the security of buying from IBM.

Since IBM entered the Cad arena in 1979, it has moved quickly to capture over 21 per cent of the market and is now the leading Cad supplier. Be-yond this, of course, IBM has benfited greatly from the sale of its hardware by other Cad vendors. IBM has also profited from concerns about the stabi-

## Taking on a different dimension

"COMPUTER AIDED design" means different things to a lot-of different people. Cad systems are used in a wide variety of industries for tasks as diverse as the design of a power plant to the design of

computer chip.

Design of mechanical parts represents the oldest and largest market for Cad systems. Mechanical Cad programs are typically used to produce two dimensional engineering drawings but Cad functions may also include structural analysis mass and centre of gravity calculations

The most sophisticated these systems enable users to construct three-dimensional representations of solid objects and go well beyond the automation of drafting to incorporate complex design steps. For example in the design of aircraft engines, General Electric of the US uses Cad systems to stimulate an optimised airflow pattern, then marries that pattern with the realities of structura designs and surface contouts —also generated on Cad systems — before casting moulds of engine parts.

The architecture and con-struction industry buys about 17 per cent of Cad systems, including a large portion of personal computer based tools. Architects have been quick to recognise the advantages of automated drafting but are also using more sophisticated Cad software for the design of standard items. linking Cad to a growing number of engineering programs.

We are developing Cad tools for our architects and engineers and linking them to our Cad systems, says Boh Mauck, associate director of computer services at Albert

ENGNEERING COMPUTER SERVICES (EC.2) Tel: Lichfield 0543 414751 Fax: 0543 250159

Gold

Kahn Associales, a Michigan Kahn Associates, a Michigan architectural firm. The company's goal is to develop programs which professionals can use on an occasional basis, without having to spend time learning how the computer system works.

Cad technology accelerates

Cad technology accelerates the engineering of large pro-jects by allowing engineers to design, analyse and redeto uesign, analyse and rede-sign projects in three dimen-sions on the computer, rather than on the drafting board or at the construction site. For example, an engineer working on piping designs

#### Most sophisticated systems go beyond automated drafting

can check the electrical or ventilation designs to ensure that they do not interfere with one another. Cad applications for the construction industry offered by Ge Calma. for example, include piping layout and design, pipe stress analysis, general mapping, subterranean modelling, architecture and facilities layout.

In the electronics industry. Cad is used in the design of circuit boards and integrated circuits. ... Electronic Cad systems perform several functions beyond the physical lavout of these products simulatfunctions of a circuit and producing test programs that will verify that the completed design works as intended. The electronic sector is the

fastest growing portion of the Cad market. Dataquest expects this segment to grow at a compound rate of over 45 per cent to total \$1.7bn in

## COMMERZBANK 31/2

»Success is the product of a charted course and hard work«

## Strong gains achieved in 1985

#### Earnings reach record level Equity base strengthened substantially

Commerzbank achieved excellent results in 1985. Against a background of favorable market developments, all sectors - both domestic and international - surpassed their targets and increased market share. The year was highlighted by record profitability and a marked strengthening of the equity base, thus enhancing the prospects for sound future growth in line with the Bank's strategic objectives. The Group's equity capital, bolstered by the Parent Bank's capital increase in early 1986, now stands at DM 4.76 billion.

Consolidated total assets in 1985 advanced by 11.8% to DM 137.2 billion, while overall business volume reached almost DM 150 billion. Earnings for both the Parent Bank and the Group rose sharply to all-time highs. This enabled Commerzbank again to add significantly to its loan loss provisions and to reserves, and also to raise its dividend by one-third to DM 8, or 16% per share.

Foreign commercial business, particularly export financing, was brisk, and healthy growth was recorded. Commerzbank reinforced its prominent position in international underwriting, lead or co-managing 100 foreign bond issues amounting to the equivalent of US \$ 21.3 billion. It was also among the first to market DM zero bonds and FRNs. Asset management, including investment counselling and broker/dealer services, contributed notably to the year's performance, as did the Bank's international network. Overall, fee income was up 25%, and the rise in earnings from own-account dealings was even higher.

Commerzbank (Switzerland) Ltd, Zurich, started operations in May 1985, and a fourth U.S. office was opened in Los Angeles. Commerzbank is active around the world through some 70 outlets in over 30 countries.

#### Commerzbank Group Highlights

Total assets	1985 in DM billion 137.2	1984 in DM billion 122.7
Borrowed funds	, , , , , , , , , , , , , , , , , , , ,	•
up to 4 years	91.8	<b>78.7</b>
4 years and over	38.9	38.5
Total lending	94.4	90.3
Capital and reserves	4.8*	3.1

For further information, please contact: Commerzbank AG, P.O. Box 100505, D-6000 Frankfurt/Main 1, West Germany, Telephone: (69) 1362-1, Telex 411 246.

Foreign Branches and Subsidiaries: Amsterdam, Antwerp, Atlanta, Barcelona, Brussels, Chicago, Hong Kong, London, Los Angeles, Luxembourg, Madrid, New York, Osaka, Paris, Rotterdam, Singapore, Tokyo, Zurich. Representative Offices Abroad: Beijing, Buenos Aires, Cairo, Caracas, Copenhagen, Jakarta, Johannesburg, Manama (Bahrain), Mexico City, Moscow, Rio de Janeiro, São Paulo, Sydney, Tehran, Tokyo, Toronto.

## A sound basis for promoting quicker chemical reactions

and pressures associated with there is need to disloge the research stems from a need to rocket motors and combustion last stubborn traces of confoliow the progress of chemical chemistry can be raised in a tamination. Nowadays it is post processes used to treat highly small glass reactor on any sible to buy simple ultrasonic radio-active materials, without laboratory bench. This revelation was made at what the jewellery in pristing condition, reaction vessel. first international symposium ever on the subject of sono-chemistry, during the annual chemical congress of the Royal Society of Chemistry at Warwick University last week.

Sonochemistry is simply the application of ultrasonic energy to chemistry, either to push the reaction along, or to extract information about its progress.

Passage of sound waves through a fluid can cause holes to appear. Prof Ken Suslick of Illinois University told the meeting that he had been able to measure temperatures exceeding 5,000 degress C and pressures of 300 bar

pressures of 300 bar (atmospheres) within these "vacuoles" or voids. Previously they had only been inferred. Such extreme conditions can promote chemical reactions which normally lie beyond the reach of an experimental chemist, much less of any commercial operation. But in sono-chemistry they can be spread uniformly throughout a fluid, well insulated from the contain-

ing vessel.

They can also evoke responses from the fluids which afford a new way of monitoring the properties of mixtures—from properties of mixtures—from petrol to foodstuffs—while they flow through a sealed pipe.

The first observations of unexpected chemical reactions in fluids agitated by ultrasonic energy go back nearly 60 years. says Prof Arnim Henglein of the Hahn-Meitner Institute in Berlin. His own interest began as a research student soon as a research student soon as a research student soon after the second world war. By 1956 the phenomenon was sufficiently well characterised for the term "bot-spot chemistry" to appear in a scientific report.

Free radicals, the highly active molecular fragments which appear for example when substances are exposed to electromagnetic radiation, are detected in fluids exposed to ultrasonic energy, a mechanical kind of radiation. But free radicals fail to explain all observations. Prof Henglein says, In his view sonochemistry remains a complex phenomenon. remains a complex phenomeno For many years, however, itrasonic energy has had one simple application, as a power-

sonics has been vigorously debated. This is the use of relatively high-powered pulses as a new way of "imaging" the body, particularly the unborn baby. There have been accusations that the technique may be more damaging than its proponents

Prof Henglein suggests that the answer may be just to set diagnostic conditions at levels



chemistry. Then one can be sure there will be no side effects.

sonochemistry is not just another way of doing old chemistry. The conditions which arise when vacuoles collapse appear capable of promoting new reactions that have begun to interest the more research. to interest the more researchonscious companies.

Bellcore and Union Carbide,

for example, are helping to fund research at Carleton University, Ottawa, where Dr Peter Kruus is using sono-chemistry to promote novel polymerisations. His group has made the "weird" observation—his word—that the lower the temperature, the faster some temperature, the faster some reactions become, when they are exposed to ultrasonic energy. And a patent has been procured on the ageing of whisky by this means. At Harwell in England, Dr

More recently, the side effects. The aim is to measure one of another application of ultra of four properties — velocity ance or scattering into the fluid. Dr Asher says. He offers three generalisations about these four ways of analys-ing a fluid, namely that they are not normally specific and are no good for detecting traces and that the first two are not always true.

The most fruitful way has roved to be measurement of the velocity of sound through the fluid. Since it is possible to measure the velocity of sound through liquids quite easily to within 1 metre per second, using an instrument clamped round a pipe, for example, the contents of a pipe or a tank can be readily identified. Grades of petrol can be identified in this way.

Suspensions present a many contents of the conten

Suspensions present a more complex challenge. Sometimes the velocity of sound through a suspension increases with the a suspension increases with the concentration, sometimes it falls. But provided the suspension is not opaque to ultrasonic energy—as foams are, and bubbling liquids tend to be—it can also be assayed in this way. At laboratories in Surrey, this has advanced to the stage of At laboratories in Surrey, this has advanced to the stage of an industrial research club composed of a dozen of the leading food companies, organised by the Leatherhead Food Research Association in conjunction with Harmail

food Research Association in conjunction with Harwell.

Membership costs less than £10,000 a year, says Dr Tudor Roberts of the research association, who has set up the club. It has already demonstrated that it can measure concentrations of fluids of interest to the food and other industries while they are flowing through a two-inch pipe, by measuring the speed of ultrasonic energy passing across the pipe.

Examples cited by Dr Roberts include measuring the sugar dissolved in soft drinks, the amount of water in milk products, and the concentration of a caustic soda solution. His aim is that within 12 months his club shall beauting the sugar clus shall beauting the sugar clus shall beauting the sugar clus shall beauting the solution.

At Harwell in England, Dr Ray Asher of the instrumentation and applied physics division is developing a diversity of applications in the remote measurement of properties of many fluids, including viscous is that within 12 months his club shall have an ultrasonic system for continuous on-line assay ready to offer a manumate market for the first batch of instruments. is that within 12 months his club shall have an ultrasonic

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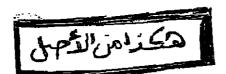
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Gold Mining Companies real All companies mentioned are incorporated in the	eports for the quarter ended a Republic of South Africa	31 March 1986	
KINROSS Mines Limited	WINKELHAAK Mines Limited	Beatrix division In terms of an agreement, Buffelstomein mines the mining lease area of Beatrix Mines Limited and 16 per cent of the distributable income from this area is attributable to Buffelstorgein and \$4 per cent to Beatrix Mines Limited.  Quarter Quarter 9 months	The GROOTVLEI Proprietary Mines Limited Company Registration No. 01/02068/06 Diversor: C.R. Natscher (Challenen), J.M.L. Barke, F.S. Clarke, W.A. Svance, P.T. Fames P., G.D. Rooe; N.A. Svenica, L. A. Svenica, P. A. Svenica, P. T. Salandi, N.A. Svenica, P. T. Salandi, N. Sv
Directors   1.2 Frist Charmonic   11-1.5 barks; F.S. Clarist* P.J. Sentant W.B. Expert R.M.R. Limit*   Charles   C	Cymposity Registration No. 56/0360506	COPERATINED RESULTS   37.2.1986 37	Physics   Display   1 428 B18 stock units of 25 cents each.
Sempled	DEVELOPMENT   - Numbersy Nees   (m)   3 992   4 269   8 241	Capitul expenditure Amounts approved not yet spent ~R21574000 Commands in respect of contracts placed ~R2568000 Seasily expenditure This figure is made up mainly of interest payable to Beatrix Mines Limited. Sold formand sales Gold working revenue includes the effect of closing out of forward sales contracts during the quarter. Rettepediturities of seet and milling seasons in order to reticulate occur and milling seasons in order to reticulate occur and milling months within the division the January milling month was reduced by 3 days, which is reflected in the tomage treated. Production It No. 2 Shaft was disrupted for 12 days due to a heavy intersection of water in one of the development ords. The effected water in one of the development ords. The effected water has since been successfully seeled off and production has returned to normal.	Advanced
Dividends On 27 February 1988 dividend No. 36 of 190 canes per stock unit was declared psychia to members registered on 14 Misrch 1988. Dividend warrants will be posted on 2 May. 1986. Rationalisation of cost and salting seenths in order to retionalise cost and milling months within the division the January milling month was reduced by 3 days, which it reflected in the lorunge treated.	Commisments in respect of contracts placed—H1021 000  Disciously  On 27 February 1986 dividend No. 52 of 245 cents per share was declared physible to members registered on 14 March 1986. Dividend warrants will be posted on 2 May 1986.  Reclosed sustained on and malling months in order to recloselies one and malling months wishin the division the January milling month was reduced by 3 days, which is reflected in the torrange treated.  UNISEL	STILFONTEIN Gold Mining Company Limited Company Registration No. 05/33412/06 parasers: W.B. Foren Chairmani, J.H.J. Breta; G.B., Lee*, C.R. Netscher; G.Y. Nieber; E. Pavitt: 11. Proportion; D.A.D. Whose, F.S. Carles; P.J. Essates; D.J.D. Rose; Dr. F.J.P. Rouc; P. Toljand; 12. type Niciary. 13. State Sign executive; "British president. J. Scott Sign executive; "British lessed capital - 13.062.920 sharts of 50 cents each.	Gold theft Virtually all the gold which was stolen from the smelt house on 17 March has been recovered. Reticularities of cost and milling months in older to reticulate cost and milling months wishin the division the January milling month was reduced by 3 days, which is reflected in the torsnage treated.  ST. HELENA Gold Mines Limited
BRACKEN Mines Limited Company Registration Nationals JULI Burts: F.S. Clarker, P. L. Eurone: W.J. Eurone: R.N.R. Landi H.A. Smith: T.L. Stephano; M.A. Washon; Alternatic: (1.1. Bargmann; P.I. Cook: J.A. do Pleastry; E.M. Harding; D.J.D. Rose, D.M. Stethang; P. Talpart: J.C. Williamse, Issued capital – 14 000 000 shares of \$0 cente each.  Opt Sp. AT 1988   St. L. 1989   St. L. 1989   St. 1989   Mined	Gold Mines Limited  Company Registration No. 72710804/06  Etroganic E. Poule (Chairment). Dr. J. J. in R. Callers: P. J. Commission: L. C. Fricz: J. G.A. Jorgen; Dr. J. Kermon: R.R. L. Levellon: C. J. A. James; Dr. J. Kermon: R.R. L. Levellon: C. J. A. James; Dr. J. Kermon: R.J. Levellon: J. J. A. James; Dr. J. G. Levellon: J. J. A. James; Dr. J. Callers: P. J. A. James; Dr. J. L. Levellon: J. J. Managaran; M.V. Hyrnen.  - British State of the Commission of	Common	Company Represents No. (EAZ) Let Beer, LG. Fritz; EP. Gesh; LG. Keebba; GC. Krafft; CR. Restacter; HA. Servin; CL. Servan; GS. Young, Attenuates DJ. Bergares; JS. Young, Attenuates DJ. Bergares; JS. J. Bouts; FS. Centa; PJ. Cook; PJ. Eustace; W.S. Evens; LM. Rose; L
OPERATING RESULTS   SLX 1985   SLZ 1985   SLZ 1985   Mined   Sept.	Working Instance   1.345.100.04   112.96   139.87   125.61   125	Storay tensors—rest (\$3.207) (\$3.207) Tributes and reyetines—rest (\$3.207) (\$3.207) Income before toxetion and State's share of income (\$1.207) 17 815 Toxetion and State's share of income (\$1.207) 17 815 Toxetion and State's share of income (\$1.207) 17 815 Toxetion and State's share of income (\$1.207) 17 820 Toxetion and State's share of income (\$1.207) 17 820 Toxetion declared (\$1.207) 17 820 Toxetion and State's share of income (\$1.207) 17 820 Toxetion declared (\$1.207) 17 820 Toxetion and State's share of income (\$1.207) 17 820 Toxetion declared (\$1.207) 17 820 Toxetion and State's share of income (\$1.207) 17 820 Toxetion declared (\$1.207) 17 820 Toxetion and State's share of income (\$1.207) 17 820 Toxetion a	Solid price received   (Ritg)   22 834   27 615   27 61
DEVELOPSEST - Kimberley Real   (m)   1177   1048   2165	Advanced	RESEARANCE Capital expenditure Amounts approved not yet spent ~ R3 775 000 Conntitments in respect of contracts placed ~ R863 000 Divisional of 150 cents per share was paid on 30 January 1986. Gold forward sales In order to ensure the profitability of its mining operations, the mine has sold forward a portion of its expected gold production to November 1986. Pricts range from R22 877 per lalogram in April to R22 220 per bilogram in November, The attention of shareholders is drawn to the fact that the above transactions may be closed out prior to resturity data, or rolled over at any time. The effect of transactions closed out during the quarter is brought to account in working revenue.	Average value
Amounts approved not yet spent that the Committee of Comm	Couloid expensioners  Announts approved notivet spent. R5 173 000 Announts approved notivet spent. R5 173 000 Commitments in respect of contracts placed -R4 102 000  Dividends On 27 February 1986 dividend No. 13 of 50 cents per shere was declared payable to members registered on 14 March 1986. Dividend warrants will be posted on 2 May 1986.  Battonsiliantics of cost and milling months within the division the January milling month was reduced by 3 days, which is reflected in the tonnage treated.  BUFFIELSFONTEIN	Chemves Limited Company Registration No. 6402378/05 (A stubsidiary of Spitionzein Gold Mining Company Limited) Disease: W.B. frant (Chairman): J.K.J. Bunta: F.S. Cente: G.S. Lee*; C.R. Notocher; Q.Y. Misbet: T.J. Pregistration: H.C.A. Boopher; P.J. Cook; P.J. Eustace; D.I.D. Ross, D. F.J.P. Ross, P. Teljaard; J.E. van Kalesth.  *British Issued Capital – 1 000 shares of R1 each.  Optimations 7.3 1586 Urapison Pulp restand	WEST RAND Consolidated Mines Limited Company Registration No. 01/01978/06 Dissense: W.S. Evens (Chairment, C.S. Lee"; H.G. Monasthet; C.R. Netscher; E. Pericz, K.C. Winyle. Assense: J.J. Septe. 1. 25 Code; D.J.D. Rose; J.C. Wilemine. 1. 25 Code; J.C. Wilemine. 1. 25 Co
LESLIE Gold Mines Limited  Company Registration No. 5901 124/08  Company Registration No. 5901 124/08  Checker: C.R. Netscher (Chairman); J.R.J. Burker; F.S. Checker W.E. Evenup: B.R.R. Lund; H.A. Smith; Dhecker: C.R. Netscher (Chairman); J.R.J. Burker; F.S. Checker W.E. Evenup: B.R.R. Lund; H.A. Smith; Dhecker: C.R. Netscher (Chairman); J.R.J. Show J.C. Williams.  Alexander: D.J. Degreter; F.J. Cook: J.A. du Papalic; D.J.D. Ross; J.C. Williams.  Alexander: D.J. Degreter; F.J. Cook: J.A. du Papalic; D.J.D. Ross; J.C. Williams.  Alexander: D.J. Degreter; F.J. Cook: J.A. du Papalic; D.J.D. Ross; J.C. Williams.  Courter ended an active ended e	Quarter Quarter Smonths  OpenAcrosic RESULTS ended ended ended	PREABCIAL RESULTS (B'000) Net, mother after (assistion	Mined
Time	Worthing locome	Consolidated Mines Limited  Corpany Registration No. 05/05/78/05  Diseasem, C.R. Netscher (Chairment, J.H.J. Burks; F.S. Canes; W.B. Evans; P.T. Fewell*; H.G. Monemphat; B.A. Sente; M.A. Saine; P. H. G. Monemphat; B.A. Sente; M.A. Saine; P. H. G. Monemphat; B.A. Sente; M.A. Saine; P. H. G. Monemphat; B.A. Sente; P. Land Sente; M.A. Saine; P. Saine; Issued capital — 4 500 000 shares of 25 centes each.    Course ended	Dividends declared
Totation and State a state of State a share of the common after the common	Geoid - Norting revenue   148 809   186 618   503 177	Working income         (Rh milled)         4,67         21,58           Gold prior received         (Rhg)         26 023         25 624           Gold prior received         (Rhg)         340         324           Paus Ascial, RESULTE (F 000)         (Star)         340         324           Working research         5 887         5 170         5 887         5 170           Working Income         411         193         139           Sundry income—net         1,39         119           Tributa and royalisas—het         550         2 083           become belose taxation         93         1177           Income after taxation         74         182           Capital expenditure         74         162           Dividend declared         1575	Deems walking A total of 147 000 total (December counter 185 000 total) of sand from the North Sand Dump and slimes from No. 1 Slimes Dem was treated.  Gold foresend sales In order to observe the profitability of its mining operations, the mine has sold forward a portion of its expected gold production to November 1886. Prices range from 122 887 per kilogram in April to 1828 200 per kilogram in November. The statistion of shareholders is drawn to the fact that the above transactions may be closed out prior to maturity data, or rolled over at any time. The effect of transactions closed out during the custor is britugint to account in working revenue.  NOTES  1. Development values quested above represent actual results of sampling. No allowance has been made for any adjustments which may be, or were, necessary writen estimating on misones.  2. All Epsential Sigures are unsactived.  3. The quarterly reports have been approved and signed on behelf of the respective companies by two disactors.
Tond 100's 300 800 505 210 Stope width (criv) 101 101 101 101 101 Stope width (criv) 5.4 5.6 5.0 5.0 Value—gold (cri.gr) 545 566 666 56  Cra reserve pay limit was calculated at an estimated gold price of R24 000/kg.  ResetArxic3 Capital expanditure Amounts approved not yet spent ~ FI4 823 000. Commitmens in respect of contracts placed — FI4 000  Devidend and 1995 (dividend No. 43 of 30 cents per share was declared payed)	Caprille appearance	DEVIS.OPRIENT  Advanced on role (m) 943 227  Advanced on role (m) 343 227  Sempled (m) 38 46  Chemiel width (m) 38 46  Chemiel width (m) 11.9 9.7  Average value - gold (m) 451 445  BERNARICS  Capital expenditions Amounts approved not yet spent - R520 000  Committeents in respect of contracts placed - R520 000  Dividentie Advicent per share was paid on 30 January 1986.  Beld forward galax  Working revenue includes the effect of closing out of forward sales contracts during	4. One reserves  All mines will in future publish extendented one reserves at 6-monthly intervals.  - Charallable can reserves are reserves which eatend be made smallable for mining during the next 12 months.  - Inscreasible one reserves we reserves which may easy be mined towards the end of the life of the mine.  3. A palicy has been adopted whereby mines will, whenever possible, stockpile are for straingle purposes.  Johansesburg, 17 April 1986  Transport addition  General Mining Building  8 Hollard Street  Johansesburg 2001  7-478 Marshall Street
On 27 marribers registered on 14 March 1966.  2 May 1966.  Describe antiffice A total of 53 000 torus (December quarter 62 600 torus) was milled ex surface durings.	Amounts approved not vitt spent—Not 237 Voluments in respect of contracts placed—R3 445 000  Dividends  A dividend of 500 cents per ordinary state and an amount of R5,64 million in respect of the preference shares was paid on 30 January 1886.	tre quarter.	Johannesburg 2001



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an electronic market place our said that the was expecting a desired with the said.

Mr Michael Howard, the Corporate and Consumer Affairs Ministers, said that the Government had been concerned to see fuller market up for consideration at the council facilities developed to enable the shares of smaller and less well-established companies to be more two months, but it is possible for inestablished companies to be more

lly tradeable. "I very much welcome the stock exchange's decision," he said. However, some reservations were

THE LONDON Stock Exchange hopes to be ready by next October to launch its Third Market in unlisted securities. It will accommodate a range of companies unable to meet the entry conditions of the exchange's existing second-tier Unlisted Securities Market.

A welcome for the move was expressed by leading over-the-counter (OTC) market making firms, and by the National Association of Security Dealers and Investment Managers (Nasdim), which has sponsored a working party to investigate the possibility of setting up a new OTC exchange.

Mr Mark St Giles, chairman of Nasdim, said he was delighted that the stock exchange had taken up the initiative. We could not finance an electronic market place ourselves, he said.

Mr Michael Howard, the Corporate and Consumer Affairs Minister and C

terim approval to be given to mem-bership applications in the mean-

"If we don't get it; we will have to being expressed yesterday in the take very aggressive action through light of the stock exchange's pro-

## Aveling rejoins groups bidding for Land Rover

the bidding for the state-owned Land Rover group just a few hours before the deadline for offers expired on Tuesday, BL said yester-

day.

The company was excluded from an earlier round of bid proposals at the time of General Motors' withdrawal from talks on acquiring both Land Rover and Leyland Trucks because it had expressed no interest in either the Range Rover prod-

. 22.7

AVELING BARFORD, the contout construction and the struction vehicle maker, re-entered J.C. Bamford construction equip

ment group.

Lond Rover and Range Rover and J.C. Bamford's possibly includes Kreight Rover as well as Land Rover and Range Rover, a BL statement said yesterday.

Only the management buy-out group, organised by Land Rover-Leyland chairman Mr. David Andrews, has submitted firm proposals for all three aspects of Land Rover's operations. BL is also keeping open the option of refaming Land Rover within the group wide preparing itself the proposition.

NEWS INTERNATIONAL (NI) yes-ierday, set a times week deadline for the acceptance by the printing unions of a revised offer aimed at settling the dispute over its move to its new Wapping printing plant in Tandon's docklands.

The offer metades for the first time compensation payments in special directionstances to some exemployees of Mr. Rupert Murdoch's company. Mr. Bruce Matthews, Nr. special and a state of the second managing director, said after talks with the unions. Our staff went on sirike, but we are ready to offer this

strike, but we are ready to other this money as an er grain payment to cover hardship.

The umons, which tabled their own proposals yesterday containing significant concessions on union or signment concessions on union or-genisation, recognition and man-ning with which the company is un-happy but, which it is considering, are shirlying the company's revised

offer.
The offer follows the company's proposing two weeks ago to make over to them its Grays Inn Road printing plant in London, where The Times and The Synday Times used to be produced, for the publica-tion of a Labour movement news-

Yesterday, the company removed the stipulation that the newspaper should be pro-Labour, but said that if it were not so affiliated, NI would n n were nowso ammated, hi would retain ownership of the site, and would require a nominal rental. It also effected a total of £15m in compensation payments to those ex-em-ployees who could not be employed on the new paper to be published from the Grays Inn Road site.

These payments are exactly in ine with statutory minimum redunmne war standary manman recondancy payments, which are 1½ weeks pay per year's service for employees aged 41-65, a week's pay a year for those aged 27-41 and half a week's pay per year for those aged 18-22. Unions last night described the offer as inadequate. The Guardian newspaper, some editions of which are produced under contract at Grays Inn Road, has drawn up a legally binding agree-ment which would rule out any industrial action before elaborate conciliation procedures were

erhausted. It includes a system under which

## BORROWING DROPS TO LOWEST LEVEL SINCE TORIES CAME TO POWER

## PSBR fuels interest rate hopes

when it announced the best public sector borrowing requirement (PSBR) figures since the Conservative Party came to power.

The cumulative total for the surprise Coupled with cumulative expected from Mr Lawson's speech on monetary policy last night, it added to hopes of a further reduction in bank base rates. tive Party came to power.

The cumulative total for the

PSBR for the financial year was £5.9bn, £2bn less than expected at the time of the autumn statement Lawson, Chancellor of the Exche-quer, predicted in his budget four

weeks ago.

That PSBR total is the lowest in nominal terms since 1977-78 and the lowest as a proportion of GDP The 1965-86 total compared with timated in his budget a few weeks £10.2bn in 1984-85. The market had earlier. expected a strong improvement

further early cut in interest rates the size of the undershoot came as when it announced the best public a surprise. Coupled with confidence

There are other factors at work, however, including the uncertain state of the oil market and the politand nearly 11bn less than Mr Nigel ical tension surrounding Libya, which could dampen expectations The PSBR has a habit of behav-

weeks ago.

That PSBR total is the lowest in more dictably with receipts in more since 1977-78 and the lowest as a proportion of GDP as estimated in the budget analysis as estimated in the budget analysis character of the Exchequer had estimated in the budget analysis.

This year the same thing hap-

Inland Revenue receipts were £200m higher than expected; Customs and Excise receipts £100m higher, National Insurance contributtons £100m higher, interest receipts £100m higher; British Telecom final payment £100m higher (because some people paid the call in March, earlier than necessary utting the receipts into the 1985-86 figures); and supply expenditure and other items were £200m better

The local authorities' borrowing requirement was \$200m better than forecast, offset by the public corporations whose figures were £200m. worse and giving a net benefit to the PSBR total of £900m over the

A sustained very low price for oil would affect the 1986-87 PSBR, however, although it is too early to of C6bn oil revenues for 1986-87. compared with £11.5bn for 1985-86, pased on an assumed average price of \$15 a barrel for North Sea crude for the rest of 1986.

If prices were \$1 a barrel lower on average in 1986, and other things including the exchange rate re-mained the same, North Sea oil revenues would be about £500m lower than this forecast in 1986-87. The budget forecast for the 1986-87 PSBR is £7.1bn or 1% per

THE GOVERNMENT yesterday over 1984-85 and had also been expresented the markets with a pleasant surprise and fuelled hopes of a case of the figures were an interpretation of the figures were pened but most of the figures were better rather than worse than expression price since December has not affected the 1985-86 PSRR total oil There is a time lag over oil revereceipts for which were known at the time of the budget

> on Tyneside, north-east England, writes Peter Riddell. Indications at Westminster last night were that the order for the first vessel, an oil replenishment ship, would go to the state-owned Harland and Wolff. However, some compensating work, possibly the second of the two vessels - may go to the recently privatised Swar

**Decision** 

expected

on ship

contracts

THE GOVERNMENT is this morn-

ing expected to take its long-delay-ed decision on the award of the

£240m contracts for two naval sup-

ply ships which has provoked fierce

competition between Harland and

Wolff in Belfast and Swan Hunter

Hunter vard.

☐ SIR TERENCE Beckett, 62, director general of Confederation of Brit-ish Industry, the UK employers association, is to retire at the end of

this year. His initial five-year term of contract was extended last October for a year but Sir Terence said yestera year but in Terente said year but it the end of Industry Year, and to allow time for an ordered changeover. The post will be publicly advertised. ☐ MERSEY Docks and Harbour Company confirmed yesterday that port charges are to be raised by 5 per cent from May 1 on dues on ships and goods, master porterage and stevedoring rates.

There will be a freeze on conse vancy charges on shipping using the river and the docks company will absorb any additional costs of dredging, buoying and maintenance of the channels in line with its policy of improving the competitive ness of the port

manager, said it would vote its 62 disc (CD) players is being stepped per cent stake in Extel in favour of up by Toshiba, the Japanese elec-The City of London reacted with tronics group, which is launching a £160 model at the end of this month scepticism when Demerger £160 model at the end of this month launched an all-paper £173m take about £40 below the typical for a bottom-of-the-range model.

Demand for compact disc players hareholders.

The backing of two large Extel cheapest model was about £500.

> held within a month. Cable television has had a difficult time establishing itself in the UK. So far there subscribers.

## Jobless total rises by 37,000 to confirm worsening outlook

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

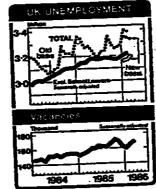
BRITAIN'S underlying unemploy-ment total rose by 37,000 last month - the largest increase since September 1981 - confirming the recent worsening of the unemployment

The seasonally adjusted unem-ployment total has now risen for four months in succession. The Government said that the March figure was estatically high, but Whitehall officials yesterday agreed

that the trend was nevertheless towards.
The jobless total is rising despite parallel increases in the numerolypeople in work. Figures for employployment statistics, show that the son between the latest two months number of people with jobs rose by

Yesterday's expanded labour market data, published by the Department of Employment, are complicated by a change in the official method of calculating the unem-ployment total - to eliminate what the Government regards as sizeable over-recording. The effect is to reduce the month-

ly total by an average of 50,000 which is reflected in the figure published yesterday for last month. The 37,000 rise in the total in March, however, takes account of



is on the new counting basis.

Opposition leaders yesterday attacked the change in method of calculation. Mr John Prescott, the Labour Party's employment spokes-man, said that the official statistics now bore "little resemblance to the

The Charter for Jobs, an independent pressure group, said that if all the adjustments made to the official figures since 1979 were taken into account, the unemployment figure would be close to 3.8m.

Calculations by official statisti-cians suggest that the total would have been about 400,000 higher

than at present if no changes had On the new basis, the department's figures show that the sea-

sonally adjusted total stood at 3.2m in March or 13.2 per cent of the labour force. The unadjusted total, which includes school-leavers and takes no account of large seasonal fluctuations, fell by 13,000 in March to stand at 3.3m or 13.7 per cent.

Lord Young, the Employment Secretary, said that the "good news" on the growth of employment over the past year was set against an "erratically high" increase in male unemployment last month. The number of people in work had risen by nearly 1m since 1983, a faster growth rate than in any other European country, he said.

The department said that the extremely cold weather during February pushed up last month's unemployment total by discouraging emloyers in industries such as construction from taking on new

Official statisticians believe that the average monthly rise of 12,000 over the past six months gives the best guide to the underlying trend. Britain has the highest unem-

## Maxwell supports Extel bid By Charles Batchelor

THE £170m takeover bid by the newly created Demerger Corporation for Extel, the sporting and business information group, re-ceived an unexpected lift yesterday when Mr Robert Maxwell, publisher of Mirror Group Newspapers accepted the bid in respect of his 11.7 per cent holding.
Shortly after Mr Maxwell an-

nounced his backing for the bid, MIM. formerly Montagu Investment Management and a large fund manager, said it would vote its 8.2 disc (CD) players is being steppe

over for Extel on January 31. Earlier this month Demerger added a cash alternative worth £170m, making it more acceptable to Extel

shareholders, owning 20 per cent of the company, may persuade other an inter-departmental working parshareholders to accept, Demerger ty to try to encourage the develop-said. The first closing date for its re-ment of cable television in Britain. vised offer is April 18, though it may be extended to April 28.

If its bid succeeds Demerger plans to split Extel up into five separate businesses and float them on are estimated to be about 130,000

est in enther the analysis and uct line or Freight Rover vans.

The BL board and its merchant thank adviser Hill Samuel will also be examining bids from the Scingol be examining bids from the Scingol by the state of the scingol by dustrialised nations. an arbitrator would come down in the adjustment since the comparifavour of one side or the other, The stand have the meaning of THE ARE MANY OF US

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2. Return your Acceptance Form together with your share certificate(s) and/or other document(s) of title to The Royal Bank of Scotland plc, Registrar's Department, PO Box 86, 34 Fettes Row, Edinburgh EH3 6UU or The Royal Bank of Scotland plc, Registrar's Department, 16 Old Broad Street, London EC2N 1DL as soon as possible. In any event the form must arrive no later than 3pm on Friday, April 18th, 1986.

3. If you have accepted the Guinness Offer and now wish to withdraw, complete and return your withdrawal form. Again this must be completed and returned no later than 3pm on Friday, April 18th, 1986. Should you require assistance call the Argyll Helpline for advice.

4. Remember. Your Acceptance Form must arrive no later than 3pm on Friday, April 18th.

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## **UK NEWS**

#### Call for more funds as Firm line by Thatcher test aircraft rolls out on dispute BY BRIDGET BLOOM, DEFENCE CORRESPONDENT at prisons

By David Brindle

MRS MARGARET Thatcher, Prime Minister, intervened for the first time yesterday in a prison officers' dispute with a clear declaration of the Government's intention to

On the eve of today's expected announcement of industrial action by the Prison Officers' Association (POA), Mrs Thatcher said the prison department management would "not shirk its own responsibilities" to make the best possible use of re-

In a letter to the Society of Civil and Public Servants, representing prison governors, the Prime Minister said: "There is ... strong evidence that inflexible working prac-tices and outmoded systems are leading to waste. "The money which is locked up in

these practices needs to be released and channelled into improvements in the prison service and, in particular, into the creation of better regimes for inmates."

The POA is expected today to announce a large majority vote for industrial action on a high turnout in a ballot conducted last week at penal establishments in England and Wales. The union is insisting on the right to negotiate staffing levels in the face of the prison department's determination to cut overtime and restrictive working practices.

Mrs Thatcher said in her letter yesterday that greater efficiency would have to form part of the agenda for any talks between the department and the union.

Mr Douglas Hurd, Home Secretary, yesterday approved a range of contingency plans for implementa-tion once disruption starts. These almost certainly include the use of police cells to hold prisoners and, if the dispute goes on, the opening of special prison camps staffed by

troops.
Whitehall officials believe a study, just completed, of shift sys-tems and staff complementing in the prison service will prove invaluable ammunition in the dispute The report is believed to suggest that the average prison is 15-20 per cent over-resourced, in terms of hours worked, because of restrictive practices.

Meanwhile, the Treasury is expected to break off pay talks with the POA as soon as industrial acBRITISH AEROSPACE (BAe) is seeking a further £25m from the Government to continue the development and flight testing of its new demonstrator fighter aircraft which the state of the state

was rolled out amid great fanfare at The precise amount would be negotisted once studies were completthe BAe factory at Warton, Laned over the next few weeks. These cashire, yesterday.

The fighter will be used to test should show in detail how the new demonstrator aircraft can contriband demonstrate the technology to demonstrator aircraft can contrib-be used in the £20bn European fighute to the multinational Eurofighter programme.

Mr Ivan Yates, deputy chief executive of BAe, said that although ter programme involving Germany, Italy and Spain. It is expected to make its first flight next month and

will make its first public appear- the initial agreement with the Government was for a 50-50 share of the costs, BAe, in conjunction with ance at the Farmborough Air Show The new aircraft has cost £180m other British and German and Italsince its inception in 1982 and is ex- ian aerospace industries, had so far pected to cost another £50m over contributed £100m and the MoD the next year as flight-testing £80m. Industry would expect to

Neither the Germans nor the Italian governments have contributed to the new fighter, known as the experimental aircraft programme (EAP). However, German and Italian equipment companies are thought to have contributed some 30 per cent of the equipment costs, while Air Italia has been responsible for one of the aircraft's wings.

The programme pre-dates by several years the agreement to build the new Euro-fighter, in a sense originating as the British aerospace industry's hedge against the possible failure to agree on a collaborative project.

Mr Younger and Sir Raymond Lygo, BAe chief executive, yester-day insisted that the EAP was in no This is considerably higher than estimates of costs so far published.

match the Government's estimated sense a prototype for the Euro-fighter - that would suggest that it was the first of many.

## Concern over helicopter cost

DEVELOPMENT COSTS for the Sikorsky, the US helicopter manu-Anglo-Italian utility and naval heli-copter, the EH101, amount to is to produce a military and civil helicopters and an interim report should be ready by July. A firm ter Responsible for Defence Procurement, disclosed yesterday.

Mr Lamont, giving evidence to ing whether the EH101 military verthe cross-party defence select committee investigating the Westland Helicopters takeover affair, said as a support helicopter for marines, that total costs could rise to £1.5bn once the EH101 went into full production, probably in the early 1990s, ment costs are huge and that is a The EH101 is a joint project between Agusta of Italy and Westland, the British helicopter maker orders.

which was rescued in February by

as a way of saving costs. Mr Lamont said: 'The develop-

According to Mr Lamont, the

view on requirements for support Mr Lamont said he was examin- helicopters would be taken by the end of this year.

Referring to the controversy over the Sikorsky/Fiat rescue of Westland which split the British Cabinet, Mr Lamont said that relations between the Ministry of Defence (which supported a rival European rescue) and the Department of Trade and Industry (which eventually backed Sikorsky/Fiat) were now excellent.

## Woolworths confirms store closures

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

WOOLWORTH HOLDINGS con-

firmed yesterday that it plans to shut a further 22 high street stores, with the loss of 1,300 jobs. The move, first announced last month, follows Woolworth's deci-

sion earlier this week to sell 12 of its Woolco superstores to the Dee Corporation stores group. News of the 22 store closures was

announced last month before the unwelcome £1.75bn takeover bid for Woolworths mounted by the Dixons

the store closures were part of its centrate on selling goods in the rationalisation programme over the fast growing leisure markets. past three years to dispose of stores

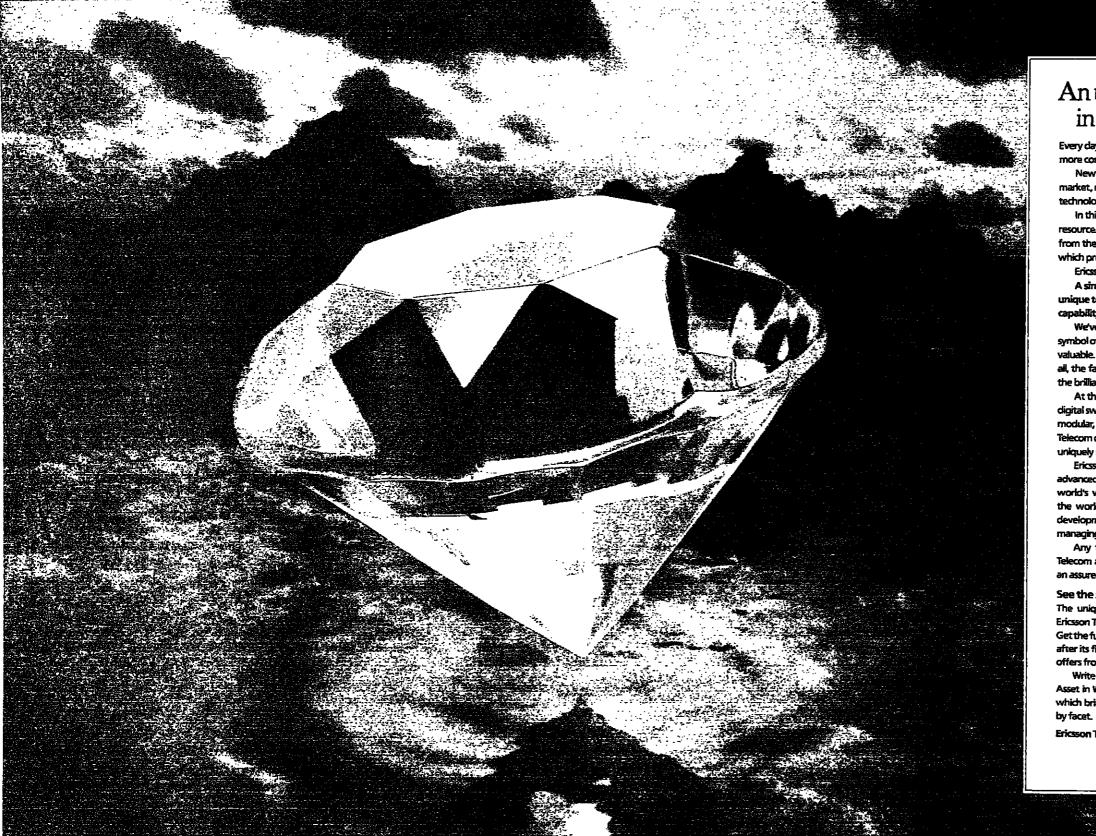
management since the company stores. was acquired from its US parent in A sp was acquired from its US parent in

A spokesman pointed out that
1983. This brings the present total
this would add to B&Q a similar of Woolworth stores to 820.

Woolworths said yesterday that operation now taking place to con-

Woolworths also announced yesin areas where trade was insuffi-cient to justify a large variety store. terday that its B&Q do-it-yourself cretail subsidiary was planning to About 150 stores have been open a further 34 stores this year to closed by the present Woolworth add to the present total of 176

amount of trading space as that The store closures are also part of currently operated in total by the the streamlining of the Woolworth Dixons Group.



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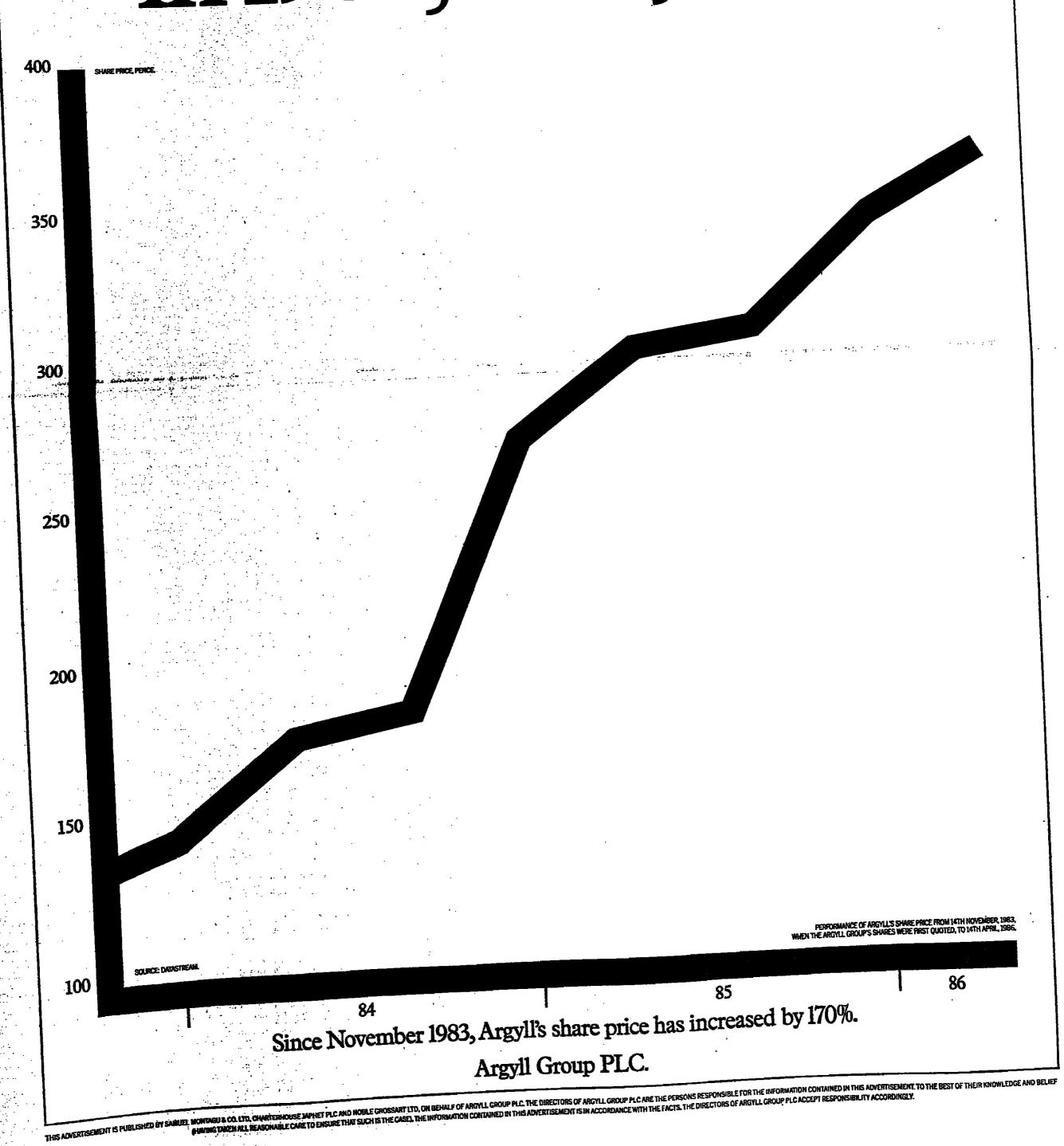
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Home truths

from House

statesmen

MRS THATCHER gave a characteristically forceful performance before a packed and grave House yesterday as she opened the debate on the US bombing of Libya.

From the Labour front bench Neil Kinnock got off to a shaky start but the quality improved as he developed his theme that economic sanctions rather than bombing was the way to deal with Col Gadaffi.

Gadaffi.

This time he refused to be put off his stride by constant interruptions from the yobbish tendency on the Tory backbenches which seemed to be making another concerted attempt to wreck his speech. Apart from the activities of this noisy minority the House was at its best for this tense occasion.

But the speeches from the

occasion.

But the speeches from the Prime Minister and the Leader of the Opposition were overshadowed by a couple of vintage contributions from those two old-timers—former Conservative Prime Minister Ted Heath and openime Labour Premier

and one-time Labour Premier James Callaghan,

Ted was very much the elder statesman taking the world view and although naturally he was against the decision to allow the US to use British hasse his case was not marred.

bases his case was not marred by the personal spite against Mrs Thatcher that has sur-faced in many of his earlier speeches.

speeches.

Jim was also at his avuncular
best playing the part of the
reliable bobby touring the
international beat and hand-

ing out folksy wisdom and shrewd advice.

cheer from most of the Tory MPs as she sat down after a speech in which she upset Labour left-wingers by her

Labour left-wingers by her growing references to the benefits of the American alliance. There was a brief attempt to recapture the patriotic Falklands spirit when she emphasised the unstinting help the Americans had given Britain in the South Atlantic

Andrew Faulds the Laurence of Arabia of the Labour back-

benches, repeatedly tried to intervene but the Prime Min-

ister firmly slapped him down.
The beared Faulds became

even more irate when she permitted a daft interruption

from his colleague Robert
Waseing who protested that
he had been required to show
his identity pass to get into
the Commons for the debate.

In present circumstances this struck most MPs as an emi-

nently sensible precvution.

Mrs Thatcher received a solid

elder

## Ex-Prime Ministers oppose Thatcher decision over air bases

TWO FORMER Prime Ministers, Minister will become steadily Mr Edward Heath (C) and Mr Stronger."

Mrs Thatcher explained that Mrs Thatcher in the Mrs Thatcher explained that Should have refused to allow US F-111 aircraft operating from bases in Britain to attack terrorist targets in Libya.

Mrs Thatcher said there was other specific evidence of Libyan other specific evidence of

urged by Mr Neil Kinnock, the Labour leader, to seek international support for mounting strong commercial and financial sanctions against the Gadaffi regime, sought to reassure Tory backbenchers by emphasing that the Government was satisfied "from the evidence" that Libya bore a wide and heavy responsibility for acts of terrorism.

Mrs Thatcher also reaffirmed that she had reserved the Government's position on any

that she had reserved the Government's position on any question of further US military action being initiated from

THE GOVERNMENT has

dropped attempts to recover

£11m in overpayments to

opticians for National Health

Service spectacles, the Com-

mons was told on Tuesday night. Mr Barney Hayhoe, the Health Minister, told MPs the

Government had bowed to requests from opticians not to

use new powers in the NHS (Amendment) Bill, to get the

The bill clarifies the Govern-

ment's powers to recover over-payments from the four professional groups which contract services to the NHS— doctors, dentists, pharmacists and entirians

A previous attempt to clarify

the law in 1984 led to a court challenge by two professional

and opticians.

BY KEVIN BROWN

rrom bases in Britain to attack terrorist targets in Libya.

The Prime Minister, who was urged by Mr Neil Kinnock, the Labour leader, to seek international support for mounting strong commercial and financial sanctions against the developed in Europe—to operate from British bases, the US operation would still have taken place but more lives would probably have been lost, both on the ground and in the failure of earlier attempts to mount effective non-military developed.

The Prime Minister gave these tinue to practise te specific examples of evidence of Libyan involvement in terrorist Mr Kinnock, w

Barney Hayhoe—gave under-

taking حوب

Opticians to keep £11m in overpayments

هكذامنالعمل

Government's position on any question of further US military action being initiated from British bases which might be more general or less clearly directed against terrorism.

This undertaking was underlined by Mr Cranley Onslow, MP for Woking and chairman of the 1922 Committee of Conservative backbenchers, who, in an oblique reference to concern among Conservatives in the constituencies, argued that it was not surprising many of them were ringing up "searching for The Americans had evidence of The Americans had evidence of The Americans had evidence of This undertaken on Libyan Governments in Specific examples of evidence of Libyan involvement in terrorist activities:

That the US subset of Support for the raid.

Mr Kinnock, whose speech was loudly acclaimed from the Labour benches, argued that the US Embassy in Paris. The plot was foiled and many lives saved.

On April 6 an attempt to attack the US Embassy in Beirut, known to have been undertaken on Libyan Governments in the constituencies, argued that it was not succeeded in Uster. But it is not succeeded in Uster. But it is not succeeded before because it had been recognised that while the first steps into conflict and all British bases, had hit embassing to policies which had been recognised that the US Embassy in Beirut, known to have been undertaken on Libyan Government in terrorist activities:

Mr Kinnock, whose speech was loudly acclaimed from the Labour benches, argued that the US Embassy in against Libya marked a departure from the logical marked and the US distance of the right way to attack the US Embassy in gainst Libya marked a departure from the logical marked and that the presort to direct military action against Libya marked a departure from the logical marked and the US distance of the right way to attack the US attempt to destroy terrorism.

Bombing attacks on terrorism.

Bombing attacks on terrorism.

Bombing attacks on terrorism in Uster. but "it is not suggested we should bomb IRA carried by successive governments in seeking to combat ter

Jo Labour cheers Mr Kinnock asserted that Mrs Thatcher had not shown solidarity with President Reagan but had been subservient to him.

He agreed with the state of the state

He agreed with the view expressed in a Financial Times expressed in a Financial Times editorial that she had been wrong to give in to US pressure. He said: "Whatever plaudits her deference to President Reagan may bring her in the United States they will not be echoed on this side of the Atlantic."

Mr Heath, former Prime Minister, declared his opposition to the US attack and Mrs Thatcher's support for the raid.

can request to use British bases for the Libya assault. He would have advised the US not to make

"If they had made the formal request, then I would have said no. I do not believe either the long-term interest of the US or

long-term interest of the US or anyone else have been enhanced by what has taken place."

He condemned European gov-ernments for their "most inglorious role" in ignoring the "rising cry of frustrated out-rage from the US" against terrorism.
Mr Ken Weetch (Lab, Ips

wich) said the British Governsupine in the worst possible way in the face of the worst kind of American military adven-

turism.

Recalling that the US F-111 an oblique reference to concern among Conservatives in the constituencies. argued that it was not surprising many of them were ringing up "searching for answers."

He said: "I believe as the facts become more clear public support for the Prime and oblique reference to concern answers."

Take the US Embassy in Bombing attacks on terrorism. Britain had not succeeded in Ulster, but "it is not suggested we should bomb IRA controlled when a more clear public support for the Prime attack the US Embassy in Bombing attacks on terrorism. Britain had not succeeded in Ulster, but "it is not suggested we should bomb IRA comps on the west coast of Ire damped that while the first steps might be easy all further subsequent steps away from preparing for attacks on conflict would produce impossible difficulties.

Mr Kinnock maintained that

Labour 'to

limit press

ownership'

Tough new powers to limit the conditions for newspaper ownership would be intro-duced by a Labour govern-ment, Mr Clive Soley, a Labour home affairs spokes-

said the priorities must be to maximise consumer choice

by increasing the access to broadcasting and publishing, to protect journalists from restrictions which could inhibit investigative journa-lism and to give greater pro-

tection by a right to reply.

discussion and invite views by setting out possible policy actions which would be con-sidered by a Labour govern-

He said one possibility might be to restrict owner-ship of newspapers perhaps to three nationals, 10 local dailies and 50 local weeklies for one individual or group.

In addition he suggested a media enterprise board or

boards to encourage journal-ist/worker buy-outs and to offer financial support to minority or low circulation papers as well as start-up

The Fair Trading Act should be strengthened to

He said he wanted to open

man, promised yesterday. In a speech in Glasgow, he

By Our Political Editor



Edward Heath-at odds with the Prime Minister

## **Tories join attack** on takeover policy

BY KEYIN BROWN

day as Conservative MPs joined Opposition attacks on the recent spate of takeover bids.

Mr Hugh Dykes (C, Harrow East) told MPs at Question Time that there was a difference between genuine takeovers carried out to improve management, build up assets or increase employment, and those mounted for financial reasons such as asset stripping. City "rapaciousness" or conglomerate empire building.

Mr Dykes urged the Govern-

the cherry with regard to refer-ences to the Monopolies and proceeds apace."

mergers commission."

Mr Fletcher said the Government should explain how companies were expected to react if that was the case.

Mr Paul Channon, the Trade and Industry Secretary, said the Government had consistently applied the policy that references to the commission should be made primarily on grounds of competition, and "nearly always" on the advice of the Director General of Fair Trading.

Mr Channon said it had always been possible for companies to obtain confidential advice from the Director General on the prospects of a bid being referred.

He insisted that there had proceeds apace."

Mr Smith said it was a marked characteristic of the present state of the economy that companies were driven to aim for short-term profits rather than long-term investment in order to fight off predators. Commission into the publishing operations controlled by Mr Rupert Murdoch, which produced nearly 30 per cent of British newspapers.

Mr Benn said Mr Murdoch had taken US citizenship to make further acquisitions in the US, and had then sacked 6,000 British print workers who had belped him make profits of \$50m in the previous year.

Labour hard left accused

of pursuing 'impossibilism'

RENEWED criticism was been no change in the applicaexpressed over competition tion of competition policy since policy in the Commons yester day as Conservative MPs joined Government had announced,

ate empire building.

Mr Dykes urged the Government to clarify its attitude to takeovers, and to produce a more coherent policy than had been evident in recent weeks.

Mr Alex Fletcher (C, Edinburgh Central), a former Minister of Corporate Affairs, said competitive positives and competitive positives and competitive positives in the shadow.

ster of Corporate Affairs, said William Smith, the shadow-competition policy appeared to Trade and Industry Secretary, be evolving so that "companies are now given several bites at the Covernment's lax and com-

## PARLAMENTARY SEC

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Mr Kinnock got off to a rather muddled start and brought hoots of derision from the hoots of derision from the Conservatives when he solemnly declared: "I caution those people who allow their judgment to turn solely on evidence." Nevertheless, he quickly regained his balance and scored a nice point when he recalled that at the time of the American raid Mr George Younger, the Defence Secretary, was warning that a military strike was not the best solution and would hit the wrong people. George, who sat on the front bench near the Prime Minister, was not visibly put out by this painful reminder. Ted Heath, more relaxed than

usual, ostentationsly referred to Mrs Thatcher as "my Right Honourable friend" but went on to compare her acquiescence in the American action with the events of Suez 30 years ago 30 years ago.

By years ago.

He had to put up wih constant hostile interventions from his own backbench colleagues who were clearly nettled by his critical line.

#### **Company Notices**

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN YAMAICHI SECURITIES CO., LTD. Further to our notice of Seatember 26, 1985 EDR holders are informed that Yamaichi Securities has paid a dividend to holders of record September 30, 1985. The cash dividend payable is Yen 7.5 per Common Stock of Yen 50.00 per snare. Pursuant to the Terms and Conditions the Decoultary has conserted the net amount, after deduction of Japanese withholding bases, into United States Dollars.

EDR holders may now present Coupon No. 9 for payment to the undermen-Dollars.

EOR holders may now present Coupon No. 9 for payment to the undermentioned agents.

Payment of the dividend with a 15% withholding tay is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax traity or agreement with Jaban giving the benefit of the reduced withholding rate. Countries curvently having such arrangements are as follows:

A. R. of Egypt F. R. of Germany Malaysia Singapore
Australia Finland Finland North States Sonain France North States
Brasili Finland Report of North States
Brasili Finland Report of North States
Canada Report of States
Canada Report of States
Canada Report of Corona Poland United Kingdom Dividend Poland United Kingdom Dividend States
Coupon No. 9 Coross
Coupon No. 9 Coross
EDR Gross Military States April 30, 1986.
Coupon No. 9 Coross States S

#### Legal Notices

No. 008379 of 1985 IN THE HIGH COURT OF JUSTICE Chancery Division, in the Matter of RISDON BEAZLEY MARINE LIMITED and in the Matter of the Companies Act 1985

NOTICE IS HEREBY GIVEN that a Petition was on 10th day of December 1985 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named Company from 1270,000 to 1000 by returning capital which is in pacess of the wonts of the company.

AND NOTICE IS FURTHER GIVEN that the and Parillos is directed to be AND NOTICE IS FORTHER GIVEN BANK the said Patition is directed to be beard before the Honourable Mr Justice, Hoffman at the Royal Court of Justice, Strand, London WCZA 211 on Monday the 28th day of April, 1988. the 28th day of April, 1988.

ANY Creditor or Shareholder of the said Campany desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose. A copy of the said Patition will be furnished to any such person requiring the same by the undermantioned Solicitors on payment of the regulated charge for the same.

DATED this 15th day of April 1986. INGLEDEW BROWN BENNISON & GARRETT of International House, 26. Creechurch Lane, London, EC3A SAL.

Art Galleries

AGNEW GALLERY, 43 Old Bond St. WI 629 6176. PAINTINGS FOR UNICER-Emma Sarpenn, Dominique Laclocke & John Napper, Usui 15th May, Mon. Frt. 9.30-5.30. Thurs, till 6.30 (except 1st May until 5J. BROWSE & DARBY. 01-734 7984, THOMAS NEWBOLT paintings. THE COMPANIES ACTS 1985 DELTA EXPORTS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to asction 588 of the Companies Act 1985 that a Meeting of the Creditor of the above-named Company will be Fairles House. Fulwood Place, London WC1V 6DW on Thursday, the 24th day of April 1986, at 2.30 o'clock in the Attermoon, for the purposes mentioned in sections 589 and 590 of the said Act.

Dated this 3rd day of April 1986.
By Order of the Board
CHANDRU MALKANI,
Secretary.

THE COMPANIES ACTS 1985 RYMAN REDFORD LIMITED NOTICE IS HEREBY GIVEN, pursuent to section 588 of the Companies Act 1985 that a Meeting of the Creditors of the above-named Company will be held at

Fairlex House, Fulwood Place, Landon WC1V BDW on Thursday, the 24th day of April 1986, et 12 00 o'clock noon, for the purposes menuoned in sections 589 and 590 of the said Act. Dated this 3rd day of April 1986 By Order of the Board

Clubs

CHANDRU MALKANI. Secretary.

EVE has outlived the others because of a policy of tale play and value for money. Supper from 10-3.30 am. Disco and the nursicians, glamotous hostesses, exciting floorshows, 169, Regent St., W1. 01-734 0857.

# challenge by two professional bodies representing opticians. Mr Hayhoe said court rulings in England and Scotland had shown that the 1984 act was defective, and further legislation was required to re-establish the arrangements operated by successive governments. \*\*Taking\*\* \*\*Taking\*\* \*\*Taking\*\* \*\*The bill will give local authority environmental health officers a legal right to enter health authority premises. Infringements of food hygiene legislation could lead to prosecution. \*\*The bill will give local authority environmental health officers a legal right to enter health authority premises. Infringements of food hygiene legislation could lead to prosecution. \*\*The bill will give local authority environmental health officers a legal right to enter the light of the removal of Crown Immunity from hospital kitchens but legislation could lead to pressed the Covernment to legislation. \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\*\* \*\*The bill will give local authority premises. \*\*In he said.\*\* \*\*In he said.\* \*\*In he said.\*\* \*\*In he said.\*\* \*\*In he said.\*\* \*\*In he said

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN

over-reimbursement, and it preparation of 350m meals a relates to periods which go year for patients, many of back as far as 1977.

"In the circumstances, I think it is right that the opticians should not be deprived of the fruits of their court victory, and I give a clear undertaking on behalf of the Government that no further attempt to recover the £11m will be made."

whom were suffering from illness which reduced their resistance to food-borne infections. But health authorities which had allowed standards to slip would have to reorder their priorities to ensure that they complied with hygiene regulations.

Mr Hayhoe was challenged

Opening the debate on the second reading of the bill, Mr Hayhoe said its main aim was to apply the food hygiene legislation to health authorities, and to deprive hospital catering of Crown Immunity from prose-

cution.

This follows the deaths from there were no plans to increase the Health Service budget by more than the £650m already at the Stanley Royd Hospital, Wakefield, in August 1984.

MITSUI & CO., LTD. EDR holders are informed that Mitsul & Company Limited has paid a dividend to holders of record September 30, 1985. The cash dividend payable is Yen 2.5 per Common Stock of Yen 50.00 per share. Pursuant to Clause 4 of the Deposit Agreement the Oepositary has converted the net apopuat, after deduction of Jacaness withholding pages, into United States Dollars. EDR holders may now present Coupon No. 34 for payment.

Coupon No. 34 EDR 50.013888 50.011805 50.011111

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MARUBENI CORPORATION Further to our notice of September 28, 1985 EDR holders are informed that Marubeni Corporation has paid a dividend to holders of record September 30, 1985. The cash dividend to Yes 2.5 per Common Stock of Yes 50,00 per share. Pursuant to the Terms and Conditions the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Pollars.

KLEINWORT BENSON (JAPAN) FUND SICAV Luxembours, 37, rue Notre-Dame R.C. Luxembourg No. B 8528

At the Annual General Meeting held on April 9, 1986, the share-holders decided the payment of a dividend of SUSO.35 per share, payable on or after May 2, 1986 to shareholders of record on April 9, 1986, against remittance of coupon No. 15 at the offices of Kredietbank S.A. Luxembourgeoise, 43, boulevard Royal, Luxembourge or of Kleinwort Benson Ltd., 20, Fenchurch Street, London.

The Articles of Incorporation have been amended and the Corporation has adopted the structure of a SICAV in accordance with chapter 2 of the law of August 25, 1983, regarding collective investment undertakings. The shares are now of no par value.

Therefore, from May 1, 1986, to May 31, 1986, the shares of the Company will have to be remitted for stamping to Kredietbank S.A. Luxembourgeoise, 43, boulevard Royal, Luxembourg. As from June 1, 1986, shares not stamped are no longer of good delivery at the Luxembourg Stock Exchange.

By order of the Board of Directors

## should be strengthened to prevent acquisition by powerful financial or business groups, he said, and there should be a remit to put the public interest first. The quasi-monopoly of retilers should be examined. A press ombudsman sys-tem, limited to a right of reply, should be created and a freedom of information act introduced.

# wholly-owned subsidiary Arbuthnot Properties.

#### Former London hospital sold for £11m

THE FORMER St George's Hospital near Hyde Park in London has been sold for £10.75m to HPC Trustees, a

Making the announcement in a Commons written reply, Mr Barney Hayhoe, the Health Minister, said the offer bettered by about £2.75m an offer from the trustees of the Grosvenor Estate who own the remainder of the site, and to whom the Government had agreed in principle to sell its interest when the hospital closed in 1880.

Making the announcement

Whip in the Commons, yesterday.

Without identifying individuals he complained that those
who have followed this course
had made Labour's genuine
radicalism more difficult to
achieve.

Mr Foster, speaking to political journalists at a Parliamentary press gallery lunch,
acknowledged the extent of
Mrs Margaret Thatcher's success
in making Tory radicalism
popular.

He said: "She crafted the
language which continually
rang bells with the electorate
and in so doing hijacked the
political agenda into her own
territory."

Mr Foster emphasised how

defeat over the Shops In mad
belief that the party was "on the
move" again.

He insisted that the Labour
Party had to resist the temptation to compete with the Conservative Party on the agenda
set by Mrs Thatcher and said
its proper task was "not trimming, but making our radical
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set by Mrs Thatcher and said
its proper task was "not trimming, but making our radical
that the party was "on the
move" again.

He insisted that the Labour
Party had to resist the temptation to compete with the Conservative Party on the agenda
set by Mrs Thatcher and said
its proper task was "not trimming, but making our radical
was common sense and provided
the basis for reversing what
the basis for reversing was common sense and provided
the basis for reversing was common sense and provided
that democratic socialism
was common sense and provided
the basis for reversing what
the basis fo

LABOUR'S hard left was re-buked for its "pursuit of Fulham by-election and its con-impossibilism" by Mr Derek Foster, the Opposition Chief Whip in the Commons, yester-day.

Without identifying indivi-

der bettered by about to constitute the state of the Grosvenor Estate who own he remainder of the site and to whom the Government has all the state of the site and to whom the Government has all the state of the site and to whom the Government has all the state of the site and to whom the Government has all the state of the site and to whom the Government has all the state of the sale would pass to the South-West Thames Regional Health Anthority.

He said: "She crafted the soles for the sale would pass to the South-West Thames Regional Health Anthority." In Northern Ireland may end its exclusive reliance on British coal by entering long-term contracts for cheaper imports, and fear the second of the Northern Ireland may end its exclusive reliance on British coal by entering long-term contracts for cheaper imports, and fear the second of the Northern Ireland may end its exclusive reliance on British coal by entering long-term contracts for cheaper imports, and fear the second of the Northern Ireland may end its exclusive reliance on British coal by entering long-term contracts for cheaper imports, and fear the second of the Northern Ireland may end its exclusive reliance on British coal by entering long-term contracts for cheaper imports, and fear the second of the Northern Ireland may end its exclusive reliance on British coal by entering long-term contracts for cheaper imports, and fear the second of the Northern Ireland may end its exclusive reliance on British coal by entering long-term contracts for cheaper imports, and fear the provent and the second of the Northern Ireland may end its exclusive reliance on British coal by the second of the Northern Ireland may end its exclusive reliance on British coal by the second of the Northern Ireland may coal the second of the Northern Ireland may coa

# ...PROGRESS TOWARDS A FULL RANGE OF PERSONAL FINANCIAL SERVICES UNDER ONE ROOF"

## **ABBEY NATIONAL 1985**

Among the points made by the Chairman Sir Campbell Adamson at the Abbey National A.G.M. on April 16th 1986 were:

#### LENDING SIGNIFICANTLY ABOVE OUR MARKET SHARE

Lending was up, 11% to £4.4 Bn, for a third successive record year. Over 190,000 new mortgages - nearly 100,000 to first time buyers In addition, we provided over 94,000 further advances for property improvements.

We are competitive on both service and price and our flat rate mortgage structure - no differentials for larger or endowment mortgages - means that we are continuing to experience considerable demand for our loans.

Our aim is to make home buying easier. Since January we have been offering potential home buyers an Abbey National Mortgage Certificate, valid for 3 months, as proof of purchasing power to a vendor or estate agent.

## FIVE STAR OUR MOST SUCCESSFUL NEW PRODUCT EVER

Our Five Star Account was the most successful launch of any new product by the Society and brought in over £1.5 Bn in the first 3 months. We have a proven ability to provide people with the products they want - and to do so with high standards of service and efficiency.

During 1985, our 676 branches processed over 66 million transactions. 9 per second for each working day-giving some idea of the tremendous volume of business dealt with by our branches.

We have improved our customer service still further through our Abbeylink ATM network. We have over 90 live machines, with 120 installed and ready to go operational, with a target of 300 available this year. We hold out great hopes for the LINK consortium. This will provide an additional 850 machines for our members.

During 1985 we also obtained a significant amount of our funding in the widening wholesale markets available to us.

## MANAGEMENT EXPENSES DOWN

Our financial results for 1985.

A profit of £140m, up 63% on last year's £86m. The need to offer attractive products in a competitive environment demands stronger reserves. Total reserves now stand at £758m, providing excellent security for our 8m members.

Management expenses ratio down 11% to £1.06p per£100 of assets. Liquidity ratio-17.5%. Growth of 15%, brings our total assets close to £20 Bn.



Personal Equity Plans Big Bang changes Employee share schemes Inheritance tax Charitable gifts

the transfer. For transfers between three and seven years

are chargeable when made as now, but the charge takes

account of chargeable transfers made by the donor or settlor

only in the previous seven years

existing relief for mutual trans-fers; makes the transferor's

personal representatives liable for tax on a transfer which is

land or chattels is for full consideration.

debts as deductions from a de-ceased's estate. The provisions

apply to a range of situations

where a person makes a gift and property is loaned back to him,

or where he creates a habity against his estate while benefit-

to be made relieving possible double charges where gifts with-

in seven years of death, gifts with reservation and disallowed

Clauses 85 and 86 adapt the

that, after the Stock Exchange reform (and the abolition of

provide that further changes in this area may be made by regu-

anomaly whereby the onshore/

Clauses 88 and Schedule 20 provide, subject to the com-

its acceptance by the Board of

on the market.

Clause 89 provides a tie-breaker in Section 8(3), Oil Taxation Act 1983, to determine the field in which tariff receipts

are to be charged in cases of fields in common ownership

with shared use of assets, which

with shared use of assets, which received their development consents on the same day. The chargeable field for a participa-tor will be that in which he is

likely to make the greatest use of the asset. A similar amend-ment is made in relation to the

attribution of allowable expen-

Clause 90 adds an additional

subsection to Section 3 of the Exchange Equalisation Account Act 1979. The EEA Act

Act 1979. The EEA Act authorises the Account, among

other things, to hold assets in any currency. This provision

dates from the establishment of the Exchange Equalisation Account in 1932. The additional

subsection will empower the Account also to hold assets in units of account determined by reference to more than one currence to more than one currence.

rency, ie currency "baskets" such as the commercial SDR and the commercial Ecu, which

are increasingly used in the financial markets.

Clause 91 and Schedule 21 deal with the short title, inter-

pretation and construction of

the bill, and repeal the enact-ments listed in Schedule 21.

Inland Revenue press release of March 18 1986 contains fur-ther details of Clauses 15-18, 20-46, 48-57, 59-81, 84, 87-89 and

on visiting entertainers and

sportsmen.
Inland Revenue press release
of April 16 1986 gives further
details about Clauses 21-24,
79-83 and about ADRs and

diture.

with the UK coastline.

offshore boundary for PRT pur-

estate.

Clause 83 enables regulations

Clause 82 disallows certain

not recovered from

## Treasury summary of clauses and schedules

Clause 1 increases the duties on cigarettes and hand-rolling tobacco with effect from March 21 1986. The duties on cigars and pipe tobacco remain un-changed. The new rates of duty are given in Customs and Excise press notice 1093.

Clause 2 increases the rates of duty on petrol, derv and gas oil with effect from 6 pm on March 18 1986, with consequen-tial increases in the rates of duty on aviation gasoline and road fuel gas, which remain at half that on petrol. It also abolishes the duty on AVTUR (aviation turbine kerosene, presently taxed for domestic dight; and on most lubrically and on most lubrically. flights only) and on most lubricating oils. The rate of duty on fuel oil remains unchanged.
The new rates of duty are shown in Customs and Excise press notice 1092.

Clause 3 and Schedule 1 clause 14 extends provisions relating to the imposition of amend, from March 19 1986, civil penalties for VAT regulations.

duty rates into line with their proportion of average mileage, on farmers' goods vehicles over 7.5 tonnes. Details are in Department of Transport press notice number 113. They also amend rates of duty for trade licences from January 1 1987.

Other duty rates are unchanged. Clause 3 and Schedule 2 introduces of ther VFD changes They 29 per cent. It also provides for

duce other VED changes. They provide, from October 1 1986, for licensing of new vehicles from one of four start dates in a month, with a supplementary charge for the extra weeks added to the standard six or 12 months period. They als: provide, from the same date, exemption for visiting servicemen's vehicles for the first year of their stay in Great Britian (this is a long-standing exemption, but changes to Customs and Excise legislation in 1984 unintentionally withdrew legal cover). The trade are in Department of Transport statutory indexation provisions press notice number 114); and of the 1980 Finance Act).

Clause 19 sets the 1986-87 the £2 fee charged in certain cases for a duplicate registration document is abolished.

Clause 4 removes the condition that beer must have be-come accidentally spoilt after leaving the brewery to be eligible for relief, but also provides for relief to be assessed hold exemption certificates. The degree less than the gravity of ember 6 1986.

the powers of the Commis-sioners of Customs and Excise employed by the company. to make regulations in respect of the control of goods in warehouses or in transit. The trade is being consulted. Further details are given in Customs and Excise press notice 1096.

Clause 6 and Schedule 4 extend to Northern Ireland the provisions of the Betting and ing to general betting duty, pool betting duty and bingo duty, so that the same provisions will apply throughout the UK. This extension follows changes intro-duced by the Betting. Gaming. and Amusements (Northern Ireland) Order 1985 and takes effect on September when the relevant parts of the order are brought into effect. Further details are given in Customs and Excise press notice

Clause 7 amends the Betting and Gaming Duties Act 1981 to allow evidence to be produced to the courts in the form of a certificate of the Commissioners of Customs and Excise that any required notices, permits, licences or authorities, have or have not been given or issued. and that any returns or pay-ments due have not been made. Similar provision already exists

for VAT and car tax. Clause 8 and Schedule 5 abolish with effect from March 19, 1986 the charge for excise licences under the Alcoholic Liquor Duties Act 1979 and the Matches and Mechanical Lighters Duties Act 1979; after the next renewal, annual re-newal will no longer be required. The still-user's licence will be abolished entirely from Royal Assent. Further details are given in Customs and

Excise press notice 1094. Clause 9 and Schedule 6 provide for the use of the 1987/88 Inland Revenue fuel benefit to assess the amount of VAT due on petrol and other motor fuel provided from business resources, but used by registered traders and their employees for private journeys. Traders using the scale will be entitled to deduct VAT in full (subject to normal VAT rules) on purchases of fuel Further details are given in Customs and Excise press notice 1098. Clause 10 will allow the Commissioners to direct that named separately shall be treated as a single taxable person liable to be registered from the date of the direction, to counter tax avoidance by the artificial splitting (disaggregation) of a single business to avoid regis-tration and tax. The clause

tion to cases where the accom-modation is occupied by the same individual throughout. Further details are given in Customs and Excise press notice

to be made specifying condi-tions which must be satisfied for the zero-rating of certain exports. Further information is given in Customs and Excise press notice 1101.

Clause 13 permits the transfer from the original importer to another person of relief from VAT granted for a range of temporary importations and for certain final importations. Further information is given in Customs and Excise press

Vehicle Excise Duty rates on tory offences to breaches of taxis, buses and coaches and, as second step in bringing their duty rates into line with their tions relating to VAT made

29 per cent. It also provides for changes to the thresholds for the higher rates of tax.

Clause 16 links the rate of advance corporation tax to the

basic rate of income tax. Clause 17 reduces the rate of

in 1984 unintentionally with-drew legal cover). The trade licensing scheme is amended from January 1 1987 (details are in Department of Transport statutory indexation provisions

mortgage interest relief limit at £30.000 (unchanged). Clause 20 fixes at 29 per cent the rate at which deductions are to be made from payments to subcontractors in the con-struction industry who do not

the spoilt beer. It also allows brewers to offset any allowable drawback of beer duty against Clause 21 permits the use in approved employee share schemes of shares subject to restrictions which require their Clause 5 and Schedule 3 alter disposal when the scheme

Clause 22 enables employeecontrolled companies with two or more classes of ordinary shares to use in an approved employee share scheme a class of shares of which the majority

is held by directors or employees and gives them con-trol of the company. Clause 23 enables workers cooperatives to introduce approved profit sharing schemes under the Finance Act 1978

Clause 24 permits the rules

using redeemable shares.

of a savings-related share option scheme approved under the Finance Act 1980 to provide that employee participants who have held options for less than if the company or part of the business which employs them is sold or otherwise leaves the group operating the scheme. Clause 25 closes from March 19 1986 certain loopholes in the existing legislation which taxes gains from share options (Section 186, Income and Corporation Taxes Act 1970) and shares (Section 79, Finance and stares (Section 79, Finance Act 1972) acquired by directors and employees by virtue of their employment. These provisions apply where such gains do not qualify for the tax reliefs associated with approved employee share schemes.

associated with appremptoyee share schemes. Clauses 26-27 provide for relief for charitable donations made by employees under approved payroll deduction. arrangements operated by employers through agency charities. Each employee will be able to get tax relief on dona-tions up to £100 a year from

1987-88. Clause 28 introduced from April 1 1986 relief for single donations by companies to charity. The relief will be available if the company deducts income tax at source from the donations, and will be subject to a limit of 3 per cent of the company's dividends on ordinary shares paid in the year

in question.
Clause 29 and Schedule 7 restrict existing tax exemptions for income and capital gains in the case of certain charities (defined as "private indirect charities"). These charities will continue to enjoy full tax relief if at least 90 per cent of their income and gains are actually spent on their own charitable activities or on grants to other charities (except private indirect charities); otherwise their tax relief for the year will be limited to the amount actually spent in these ways. Clause 29 also ensures that they relief for covenanted that tax relief for covenanted donations by companies to charities is conditional on tax

The main points of the Finance Bill's provisions were spelt out yesterday in a Treasury summary. The changes proposed in the bill take effect from the date of Royal Assent unless otherwise stated

exemption is restricted by Clause 29. Clause 31 extends the scope of Section 9 of the Charities Act 1960 to permit the Inland Revenue to pass information to the Charity Commission in cases where charities are applying their funds for non-charitable

purposes.
Clauses 32-36 introduce new, more favourable rules for the tax treatment of certain travel expenses of UK resident employees working abroad, and of expatriate employees working in the UK. They also extend to UK self-employed people with business carried on wholly abroad reliefs for travel and subsistence expenses comparable to those available to UK resident employees working agents to pay foreign dividends wholly abroad. These changes into recognised clearing systems mostly apply from April 6 1984. without deducting tax.

the present rules, which are based on the Inland Revenue's discretionary powers and which standing tax charge at 40 per cent on any such refund made after March 18 1986. The new rules will come into effect on April 6 1987. Special transibefore then. Clause 43 makes some minor

composite rate scheme for building societies. Clause 44 enables paying agents to pay foreign dividends

restructure the Agricultural discretionary powers and which Buildings Allowance given on have led to some uncertainty. capital expenditure on the connave led to some uncertainty.

Subject to certain constraints struction of agricultural buildings and works. A central scheme members) trustees will feature of the proposals is the have greater freedom to make introduction of an optional refunds to employers but the employer will be liable to a freestanding tax charge at 40 per citation into line with commercial depresietion when are cial depreciation when an agricultural building etc is sold or demolished. This option should be especially helpful for tional arrangements will apply short-lived agricultural build-

Clause 51 and Schedule 15 changes to the new mandatory make extensive—mainly technical—changes to the present legislation in the 1980 and 1982 Finance Acts dealing with capital allowances in respect of



Mr Nigel Lawson, the Chancellor—announced Personal Equity Plans with tax incentives for individuals who make direct share investments

Clause 37 and Schedule 8 concern Personal Equity Plans, from UK tax special pensions which from January 1 1987 will paid to victims of Nazi persecuoffer special tax incentives for direr investment in shares by UK individuals. The legislation enables the details of the new scheme to be contained in regulations made by Statutory

Instrument.

Clause 38 and Schedule 9 extend indefinitely the Business Expansion Scheme and intro-duce changes to make it more effective (these mostly take effect from March 19 1986). The main changes put new restrictions on companies carrying on trades with a high asset-backing. There is also a new exemption from CGT and a number of other technical changes. The changes to be made by statutory instrument. (See also Inland Revenue Press Release of March

27 1986.)
Clause 29 provides that the Enterprise Allowance is to be taxed under Case VI, rather than Case I or II, of Schedule D, thus ensuring that it will be taken into account only once for tax purposes. It applies to all payments payable on or after March 18 1986, and to payments made before March 18 1986 to abuse people still receiving the allowments.

clause 40 and Schedule 10 restrict after March 18 1986 the amount of tax losses transferMOWA) with a complete new able when a trade is transferred between companies in common ownership where some outstandthe company. Clause 42 and Schedule 11 set

Clause 45 exempts altogether motor vehicles costing 48 000 or paid to victims of Nazi persecu-tion by Austria and West Germany. Currently these pen-sions attract 50 per cent relief. Clause 46 exempts from income tax for 1986-87 the increase in pensions and widow's benefits payable under the transitional social security benefit uprating in July 1988

benefit uprating in July 1986. Clause 47 ensures that no income or corporation tax deductions will be allowed for VAT penalties, interest and surcharges under the Finance Act 1985. Customs changes following the Keith Committee Report on Enforcement Powers. Similarly, repayment supplement on certain delayed VAT payments will not be taxable.

Clause 48 makes a small technical amendment to the definition of "associated company" Part II of the Oil Taxation Act 1975, which are designed to prevent profits from oil extraction activities being eroded by losses outside the ring fence. The change introduces "con-trol" as part of the test of whether companies are associated, and will prevent possible abuse by artificial arrange-

code of allowances. This code is set out in Schedule 12, and ownership where some outstanding liabilities of the trade are not also transferred to the successor company and the predecessor company is insolvent.

Clause 41 makes clear with effect from March 19 1986 the tax position where a loan made to a participator (broadly a shareholder) in a closely controlled company is repaid before a charge under Section 286 Taxes Act 1970 in respect tof the loan has been made on the company.

Clause 42 and Schedule 11 set been fully relieved under the some amendments are made by Clause 48 to the plant and machinery code to accommodate been fully relieved under the out new statutory rules for deal-ing with excessive actuarial the transitional arrangements surpluses in occupational pen-sion schemes. These will replace within the new rules.

that, with the phasing out of first year allowances, present arrangements continue to operate from April 1986 in broadly the same way as before. However, separate "pooling" of However, separate " pooling assets leased in the UK will no longer apply.

Clause 52 excludes certain dual resident trusts from entitlement to the general holdover relief for gifts, with effect from March 18 1986. Clause 53 exempts trans-

actions in futures and options actions in intures and options in gilts and qualifying corporate bonds from capital gains tax. This applies to disposals made on or after July 2 1986. Clause 54 increases the limit on the relief enabling gains on the disposal of part of a holding of land to be deferred. The new limit applies to disposals made on or after April

Clause 55 concerns stock lending. The share transfers involved in this process are currently ignored by concession for income tax and CGT purposes. The clause converts the concession into a statutory arrangement. relief but only after the detailed rules have been set by regula-tion. In the meantime, the Extra-Statutory Concession

(B15) will continue. Clause 56 and Schedule 16 make some minor changes to the Accrued Income Scher (AIS) which commenced on February 28 1986. Stock lend-ing transfers, currently ignored by concession, will be excluded from AIS once regulations have been made under Clause 54. There are also amendments, effective from Budget day which affect certain special types of securities (eg bonds in default). Finally, the schedule adjusts the Revenue's information powers to take account of reform of the Stock

Exchange and the Financial Services Bill. Clause 57 and Schedule 17

#### ITEMS TO BE ANNOUNCED LATER

ADRs: Part IV of the Bill as made after Budget day, under they enter into. The new rules introduced does not contain provisions, foreshadowed in the Budget day press release and varied since then, out of the confirmed in a parliamentary gifts with reservations regime answer on March 21 1986, for (clause 81/Schedule 19); and the application of stamp duty to deal with the consequences reserve tax, at the rate of 5 for the heritage of the shift to per cent, on the conversion of inheritance tax.

will come into force in April 1987. ITV levy: Legislation will be introduced to implement the Government's proposals, announced by the Home Secre-February 26 and March 27 1986,

First, securities within the AIS are to be removed from old anti-bondwashing legislation. Sections 471-475 ICTA 1970 (dividend buying) will be amended as from Budget day but, except for the transactions described in the Inland described in the Inland Revenue's press release of December 13 1985 which will be taken out of Section 469 ICTA (sale and repurchase of securities) retrospectively, AIS securities will remain within Section 469 until removed by Statutory Instrument at a future date. Second, the Schedule ensures that Stock Exchange market makers will Exchange market makers will get the same tax treatment after Big Bang as do present Stock Exchange jobbers under Sections 472 and 477 ICTA and Sections 21 and 25 Taxes Management Act. Furthermore, there are powers to include market makers of other "recognised investment to reservations. Clause 81 is exchanges," by regulation, after passage of the Financial Services Bill. Similar adapta
Management Act. Furthermore, there is the service are powers to deal with gifts made subject to reservations. Clause 81 is exchanges," by regulation, after provision to gifts on or after March 18 1986. If the donor is

services bill. Similar adaptations are made for brokers. not entirely excluded from enfinally, Schedule 17 strengthens joyment of the gifted property the rules (in Section 477 ICTA) or from any benefit in the seven which enable the Revenue to years before death, the property collect tax deducted by dealers is treated as disposed of by the when they "manufacture" donor when the reservation dividends. This occurs when a dealer has bought securities rules for dealing with changes ex-dividend but sold them on in the gifted property and with cum-dividend and has, for settled property (to which the instance, to compensate his same general rules apply). buyer in the absence of a real There are exceptions where the dividend. The Schedule also benefits reserved are small; or enables the Revenue to where the reservation repreenables the Revenue to where the reservation repre-establish alternative collection sents a reasonable provision by

mechanisms by regulation.

Clause 58 reduces the rate of stamp duty on shares from 1 per cent to 1 per cent with effect from the date of the Big where the donor's possession of land or shartle is for full con-Clause 59 ensures that there is no charge in the rates of

a result of the reduction in the rate on shares. Clause 60 provides, with effect from Big Bang, for the per cent rate to apply to the purchase by a company of its

Clause 61 provides, with effect from March 25, for the per cent rate to apply to keovers, mergers, demergers d reconstructions, which

and reconstructions, which until the Budget were exempt. Clause 62 withdraws, with effect from Big Bang (when the 1 per cent rate will apply overs, mergers and demergers.

Clause 63 provides, with able property (such as a farm) effect from March 25, a new is reduced by the relief appro-exemption for schemes of priate. Otherwise the relief is reconstruction where there is apportioned over the whole no real change of ownership.

Clause 64 provides, with effect from Big Bang, for the 1 per cent rate to apply to the transfer of a business on the occa- involving the business of a job-sion of a merget, etc. This is ber on the Stock Exchange so less. The principal purpose of necessary because Clause 58 these measures is to ensure applies only to stocks and shares and other similar securities. Clause 65 withdraws, with effect from March 25, the exemption for certain categories of

loan stock. Clause 66 withdraws, with effect from March 25, the exemption for bearer letters of

Clause 67 withdraws, with effect from Big Bang, the exemption for renounceable letters of allotment.

offshore boundary for PRT purposes (which currently coincides with the baseline of the territorial sea) runs at some distance from the coast in cerers of allotment. distance from the coast in cer-Clause 68 provides, with effect talm areas. From April 1, 1986, from Big Bang, an exemption the onshore/offshore boundary for purchases of shares by mar-

Clause 69 provides an exemption from ad valorem duty where a market maker returns

borrowed stocks. Inland Revenue, for an alterna-tive basis of valuation for non-Clause 70 enables the Revenue to enter into composition arrangements for the payment of stamp duty with any recog-

nised clearing house. Clause 71 provides an exemption for transfers of shares to a clearing house which has entered into a composition

Clause 72 provides for the existing exemption for pur-chases of unlisted shares by approved dealers " to continue until the regulatory regime provided by the Financial Services Bill is in force.

Clause 73 introduces the new stamp duty reserve tax. Clause 74 provides for the tax t capply, with effect from Big Bang, to transfers of securities where stamp duty is not paid. Clause 75 makes the trans-feree, i.e. the purchaser. liable

for the tax.
Clause 76 provides for the repayment of the tax where stamp duty is also paid. Clause 77 provides regulatory

powers for the administration of the tax.

Clause 78 defines, inter alia,
the securities to which the tax

applies.
Clause 79 makes provision for make three distinct changes, the transition from capital transfer tax (CTT) to inheritance tax. It provides an alterantive title for the main legislation (at present the CTT Act 1984) and ensures that will come into force in April wills, tax forms or other docu-ments drawn up in terms of CTT remain valid for inheritance

single business to avoid registration and tax. The clause allows appeals to be made to a VAT Tribunal if the persons believe that the Commissioners have issued such a direction unreasonably. Further details are given in Customs and Excise press notice 1100.

Clause 11 restricts, with effect Clause 11 restricts, with effect from November 1, 1986, the commissioners of the application of stamp duty to deal with the conversion of the application of stamp duty to deal with the conversion of per cent, on the conversion of the application of stamp duty to deal with the conversion of the shift to per cent, on the conversion of the conversion of the persons of the application of stamp duty to deal with the conversion of the capital gains tax to deal with the conversion of the capital gains tax to deal with the conversion of the structure of the capital gains tax to the structure of the capital gains tax to the structure of the structure

Stamp duty Changes to

**Business Expansion** between individuals become chargeable only if the trans-feror dies within seven years of **Scheme** THE PROVISIONS designed to before death, the tax charge is tapered. Other transfers (involving trusts or companies)

THE PROVISIONS designed to effect the Chancellors proposed changes in the Business Expansion Scheme are contained in Clause 38 and Schedule 9. The Inland Revenue has issued the following details: Qualifying Trades: The proposals about qualifying trades are picked up in Paragraph seven of the Schedule which substitutes new subparagraphs for some of the present provi-sions in Paragraph six of

Schedule 5 to the Finance Act recipient; and tests the entitle-ment for business and agricul-First, the new subparagraphs (2b) and (2c) bring investment in ship chartering within the tural relief at the time a transfer becomes chargeable as well as the time it is made. in ship chartering within the scheme. At present a company is excluded if its trade is to a substantial extent concerned with leasing, including ship chartering. This is now being amended so that ship chartering (except for the chartering of oil rigs and pleasure craft) will be included where the ships are owned by the company and registered in the UK; and provided the lettings do not exceed 12 months and the company is responsible, as principal, for navigating and managing the ships.

Second, the new subpara-

Second. the new subparagraph (4) is designed to take out of the scheme investment in companies whose main pur pose is to hold items such as fine wines and antiques for their in-crease in value rather than as stock in trade which is actively being marketed. It does this by providing a new description of wholesale and retail distribution; and provides that a trade is excluded if it is one dealing substantially in goods of a kind which are collected or held as investments, and a substantial proportion of these goods are held for a period significantly longer than would be expected of a vendor endeavouring to dispose of them at their market value.

.Third, subparagraph (9) pro- 👗 vides for the Treasury to make future changes in qualifying trades by statutory instrument. Land and Buildings: The

debts are involved.

Clause 84 provides new rules for dealing with transfers or estates which involve property qualifying for business or agricultural relief and an exempt beneficiary (e.g. a spouse). The value of a specific girt of relieving reduced by the relief appropriate. Otherwise the relief is The first of these, new Para-

graph 5a, contains the basic rule which excludes companies business relief at present avail-able where there is a transfer if the value of their land and buildings, after deducting certain liabilities, exceeds one half of the net value of their assets after deducting their liabilities. The liabilities to be deducted are those secured on jobbers) the relief runs for the new equivalent—a person whose business is wholly that of a market-maker. The clauses also the land and buildings; unsecured long-term liabilities; and the value of any shares which carry a preferential right over the BES shares in a windlations.
Clause 87 corrects a technical ing-up. This rule applies from the issue of the shares to the end of the relevant period (ie, for three years, or until three years after the start of trading if that is later). The fraction of one-half may be varied by Statutory Instrument.

This test has to be satisfied throughout the relevant period.

During this period an alterna-tive basis of valuation to market value is to be allowed if it is to the company's advantage. This is set out in new Paragraph 5b. It starts with the market value of land and buildings at the time of the share issue, found arm's length disposals or appropriations of certain light gases sold on a long-term basis. This will enable PRT valuations to mirror the terms under which an the market paragraph. It then adds any expenditure on further acquisitions or on enhancing the value of existing property; and deducts receipts from disposals of any land and buildings in whole or in part.

The restriction applies only where a company raises more than £50,000 in any period of 12 months (starting after Budget Day). This is done by new Paragraph 5c. The £50,000 limit is scaled down if the company carries on a paragraphic pany carries on a partnership or joint venture with other companies during the relevant period

Capital Gains Tax: The exemption from capital gains tax for gains on shares issued under the scheme after Budget Day is contained in Paragraph 12 of the schedule.

Miscellaneous: The schedule also contains provisions for the other changes in the Business Expansion Scheme which the Chancellor announced in his Budget. The Government will bring forward at the Committee stage of the Finance Bill amend-ments dealing with a few re-maining aspects of the Budget

#### The implications for staffing

Customs and Excise: The net effect of the changes envisaged in the Finance Bill is to leave the department's staffing requirements unchanged.

inland Revenue: The staffing effects of the Finance Bill are a reduction in manpower needs of about 90 units by April 1 1987 and an increase of about 300 units by April 1 1988.

A substantial amount of work A substance; amount or work will be saved in local tax offices as a result of changing the social security uprating date

fresh a buses

hapler.

SIX CHANGES and two lengthy schedules of the Bill containing a mass of technical detail implement the much-heralded transition from Capital Transfer Tax to Inheritance Tax

The fundamental change, which was one of the focal points of the Budget speech, is the abolition of tax on transfers between individuals, provided that the transferor survives for at least seven years thereafter. If he lives on for more than three years but less than seven, the tax charge will be tapered. Gifts involving companies and trusts — other than accumulation and maintenance trusts and trusts for the disabled — will trusts for the disabled — will continue to be fully taxed.

All but one of the existing CTT exemptions and reliefs will continue to be available under the new rules. The only casualty is the relief which used to be available when two individuals gave each other gifts; these could formerly be netted off and tax paid only on the off and tax paid only on the

However, the conditions for business and agricultural relief
—which reduce the value of the property transferred by up to 50 per cent—will be much more difficult to satisfy under the new system. Under CTT, it was only necessary for the relief conditions to be satisfied at the

date of transfer.

The new rule is that, if the transfer subsequently becomes taxable because of the prema-ture death of the donor, the conditions must still be fulfilled

lost if one of the other con-ditions ceases to be satisfied,

goes public.

The Bill creates a taxplanning minefield by intro-ducing the concept of gifts with reservations. Where a donor

#### Inheritance Tax DAVID: COHEN

has been cancelled. A classic case would be the gift of a house to a child but with the parents being allowed to remain there for the rest of their lives. In these circumstances, the value of the property would be included in the parents

This is likely to prove a major problem for the middling wealthy, who wish to save their heirs Inheritance Tax but may not feel sufficiently secure to give assets away with absolute finality. The only way out of this dilemma may be to utilise the very limited cases where reservation of henefit will be reservation of benefit will be disregarded.

ture death of the donor, the conditions must still be fulfilled at the date of death or else the relief will be forfeited.

The most basic condition for relief will be that the donor still owns the asset. So a recipient of business or agricultural property will have to hold on to the asset for at least seven years or gamble his tax relief on the donor's survival. Even if he does keep the property the relief will still be lost if one of the other consists.

disregarded.

First, where the donor is trunked from any benefit, "virtually" is not defined but would obviously apply where a house was given away and the donors were invited back for occasional visits. Second, the donor's benefit will be disregarded if he is paying a full price for whatever he is getting. For conficial changes, the Capital Transfer Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be constructed as referring to Inheritance Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be construed as referring to Inheritance Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be construed as referring to Inheritance Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be construed as referring to Inheritance Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be construed as referring to Inheritance Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be construed as referring to Inheritance Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be construed as referring to Inheritance Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be construed as referring to Inheritance Tax Act, and all references in wills and other legal documents to Capital Transfer Tax are to be construed as referring to Inheritance Tax Act, and al

times as a result of changed circumstances and needs help from the donee. This exemption will not be available if it is apparent at the time of the original gift that the donor may putting himself into

difficulties. The reservation trap will also be avoided if the gift falls within one of the general exemptions. Hence, if a man gives his house to his wife, perhaps as a means of equalisperhaps as a means in equali-ing the value of their estates, the fact that he continues to live in the house will not pre-judice the effectiveness of the

The new reservation rules have killed stone dead the use have killed stone dead the use of inheritance trusts—insurance policies which reduced a person's estate for iax purposes while allowing him to retain control of his property. An Inland Revenue statement accompanying the Bill contains reassurance for those who are still paying premiums under policies of this kind which were taken out before Budget Day. If premiums continue to be paid If premiums continue to be paid under such policies without any increase in amount or other variation then the reservation

of benefit rules will not be applied: Finally, amid the welter of

Finally, there is what may be fully absorbed.

#### THE Finance Bill provisions on employee share schemes enable approved schemes: profit-shar-

Rules eased for

approved plans

same time closing various loop-

holes which have been exploited

by participants in non-approved

There are three types of

approved schemes; profit shar-

ing schemes under the Finance

Act 1978, Savings-Related

Option schemes under the Fin-ance Act 1980 and Executive

Option schemes—by far the most popular—under the 1984 Finance Act. A common feature

of all three types is that the shares to be issued must be

Until now, if employees who

left a company were forced to sell any shares they had

acquired under a scheme, then the shares were regarded as

The Bill will allow companies to insert a compulsory buy-back clause in their articles of

association without this being

shares. The employees must be paid cash for their shares and

amount payable must be clearly

addition, any non-employee shareholders who wish to dis-

terms as are applicable to the

regarded as a restriction on the

free of any restrictions.

schemes.

have a decidely limited impact. On technical grounds it has not been possible for an employee-controlled company with more than one class of ordinary shares to introduce an

This technical obstacle is now being removed. Similarly, a modification of the existing rules will give workers co-operatives the chances to bring in profit-sharing schemes using redeemable shares which are normally prohibited.

The rules for participants in savings-related schemes are being relaxed in one respect. Employees who have options in subject to restrictions. Many private companies insist on being able to retrieve shares from exemployees and were therefore barred from obtaining Revenue approval. a group scheme and who work for a subsidiary which leaves the group will now be allowed to exercise their options fræspective of how long they have held them. At present, they can only exercise options

All these changes will come the rules for ascertaining the spelt out in the articles. In pose of their shares must be required to do so on the same This change is likely to benefit a considerable number

#### **Employee share** schemes

DAVED COHEN

approved scheme,

which are at least three years

into effect when the Finance Bill receives the Royal Assent. By contrast, the closing of copholes for share transactions outside approved schemes came into force on Budget Day-for obvious reasons. These were devices which were designed to avoid the income tax charge which is triggered by the exercise of an employee option outside an approved scheme or of companies and their in an approved scheme but employees. By contrast, two outside the prescribed exercise other clauses in the Bill will periods.

## Some reprieve after the BES clampdown

YESTERDAY'S Finance Bill provides some comfort for valuation that is high enough to investment concern and bars small ventures which feared fall foul of BES rules, the com- ventures which hold goods for they might ger thrown out of pany can start with the lower longer than "would reasonably the Business Expansion Scheme through circumstances beyond their control. It also gives more detail of the criteria which will be used to exclude antique and wine investment companies.

The BES, which was introduced in 1983, allows individuals to claim income tax relief at their top marginal rates on up to £40,000 a year invested in unquoted businesses.

The Bill confirms last month's Budget announcement month's Budget announcement of the most comprehensive crackdown so far on the asset-backed ventures which have exploited the scheme in recent years. It also confirms that people may sell BES shares free of Capital Gains Tax after the five-year holding period

sary to qualify for relief. Mr Nigel Lawson, the Chan-cellor, revealed last month that any business with more than half its assets in land and buildings would not be allowed to offer tax relief to investors. This gave rise to fears that genuine trading ventures would be hit if the value of their property rose sharply during the three-year period during which company qualifying rules must be observed. must be observed.

The Bill conveniently allows companies in that situation to avoid getting lumbered with inflated market values for their property assets by choosing one of two valuation methods, as foreshadowed in an inland Revenue announcement three

tered by the Inland Revenue, dating back to the 17th cen-

tury, stamp duty is different from the other taxes with which that department is con-

cerned in that it is a tax on

underlying transaction may

determine whether a document

s liable to duty and at what

rate, if there is no document

there can be no liability, what-

In this respect the stamp

duty reserve tax contained in

the Bill is a significant depar-

ture from the conventional

duty. It is, in reality, a new

tax that is imposed on certain transactions that, broadly,

would have attracted duty had

a document been brought into

existence. It is, however, re-

fundable if a document is

a charge to this new tax may turise are relatively straight-

1-It applies to "chargeable

One person must agree to transfer the chargeable securities in question to

The agreement must be for valuable consideration; and

No transfer of the securi-ties must have been executed and appropriately stamped (whether at 1 per cent or otherwise) within

two months of the agree-ment being made or, if

later, becoming uncondi-

The circumstances in which

documents. Although

ever the transaction.

subsequently created.

securities ":

another person;

forward:

Or if that calculation gives a or wholesaler rather than an market value of the land at the be expected . . . while endeavtime the shares were issued. Ouring to dispose of them at To that it must add the cost their market value." of any property acquired since then, plus any spending on yesterday include details of the perty interests. Deductions can to the BES and confirmation

and buildings. Companies with substantial assets will still, however, be allowed to raise up to £50,000 annually under the scheme. The £50,000 limit will be scaled down if the business forms partner-

#### 5mall businesses WILLIAM DAWKINS

ships or joint ventures during the qualifying period so that relief is shared between the parties as if each of them were raising BES equity separately. Stringent though the new rules are, they do nothing to exclude asset-backed ventures with high levels of borrowing. A number of hotel and property companies which feared they warm colors to be the colors as the colors are they warm to be the colors as the colors are they warm to be the colors as the colors are the colors as the colors are the colors were going to be thrown out of the scheme at the time of the Budget have in fact been allowed to continue because more than half of their assets

proposals are expected to attempt to structure their balance sheets in the same way. Companies can use the present market value, adjusted downwards for borrowings secured on their land and buildangs, long-term unsecured debts and the value of shares with preferential rights to their assets.

The Bill also throws further to exclude ventures with heavy asset backing in the form of any and precise preferential rights to their definition of what a company has to do to count as retailer

Reserve tax constitutes

is kept in the UK.

such securities

Significantly, however, the term also includes an interest

in such securities or in divi-

dends or rights arising out of

The main exclusions com-

prise exempt securities such as

gilts, depositary receipts, bearer

Stamp Duty

MALCOLM GAMMIE

securities and traded options.

Most sale transfers of charge-able securities would be

a significant change

were accounted for by borrowings. Future asset-backed BES

Other changes announced enhancing the value of its pro- introduction of British shipping be made for disposals of land that the Treasury will be able to change the company qualifying rules for the scheme by stautory instrument, rather than having to wait until the next Budget to block loopholes.

• The Bill corrects an anomaly in the Enterprise Allowance Scheme, which allows people starting their own businesses to draw a £40 per week allowance for a year. Formerly, the allowance was seen by the tax authorities as business income. which meant that recipients could be taxed once on receipt of the subsidy and again for up to three years after they had started trading, based on profits which, included the grant. Now the allowance will only attract tax for the year in which it is

The Finance Bill has also closed a loophole by which having to register for Value Added Tax. Normally businesses must register for VAT when annual turnover reaches £20,500, a requirement which some had avoided by splitting the business into two ventures with separate proprietors shortly before touching the threshold.

Traders attempting that technique will now find that they are treated as one taxable person and will therefore have to register for VAT as a single business, says the Bill.

## Fresh attempt to curb abuses of relief rules

lies in the attempt to curb abuses of the rules for charitable relief. Some individual avoidance schemes have cost the Inland Revenue several millions of pounds.

The Chancellor's tightening of the definition of charities eligible for relief has been wel-comed by "traditional" charities. They are also pleased by the zero-rating of services such as non-classified advertising and medical products which, it is estimated, will save up to half of their annual £20m a year VAT bills.

In the year to December 31. 1985, some £280m in tax relief was repaid to charities, including £130m under deeds of covenant. The intention is to ensure that those gifts which provide exemptions and reliefs for charities are actually spent charitably. In particular, it is intended to restrict the tax exemption available to private indirect charities which do not spend at least 90 per cent of their receipts.

A charity is defined as a private indirect charity if mo than 25 per cent of its funds come from a narrow range of private sources as distinct from public donations — and it spends less than 75 per cent of its receipts on direct charit-

The Inland Revenue declined to be precise over numbers of so-called private indirect chari-

It defines two main forms of

ons

using charitable relief to strip stages of the Bill." a cash-rich company of its accumulated profits without in-curring a tax liability. The benefits accrue mainly to the company shareholders and the

small "commission." In other cases, the benefit of charitable gifts will, after col-lecting tax relief, be channelled back to the donor through a chain of intermediary charities

The Chancelior's move was welcomed yesterday by major charities and the Charities Aid

> Charities LISA WOOD

Foundation which acts for donors and seeks to make their giving tax-efficient. Mr Michael right balance. If the Chancellor is going to give more concessons to charittes he has got to make sure that the money is used for charitable purposes.

affect any of the major recipient charities, said discussions were charities or endowed ones also taking place with the There is a slight possibility that. Inland Revenue to clarify some certain circumstances, a of the reliefs such as that on rity could be adversely medical products. He said: affected if it is saving up for a There is an excellent co-opera-building and not spending tion with the Inland Revenue.

A MAJOR throst of the pro- ablest. One, the so-called "con- endowments. But that will be se scheme" involves examined in the committee

Mr Brophy welcomed what he called the biggest concession in the Bill-the provision of relief for charitable donations of up to scheme operators, though the £100 a year by individuals under charity will commonly retain a payroll deduction arrangements. This scheme, which comes into effect in 1987, could inject a further £100m a year into monies given to charities by individuals, he said.

The Inland Revenue is examining proposals for the operation of the scheme which will be administered by agency charities. Some charities are still sceptical, however, as to the exact working of the scheme and are seeking urgent talks. Mr Barry Gifford, director of finance and administration at the Royal National Institute of the Blind one of Britain's big-gest charities, said: "Our view is that the agency charities should propertly represent the

medium to small charities as well as the major ones so they Brophy, director of the founda- are not excluded from this tion, said: "I think this is the so-called bounna." Mr Gifford, who is also execu tive chairman of the VAT Reform group, which success-fully lobbied the Chancellor to introduce VAT zero-ratings for "The proposed action will not several services provided by

"There is an excellent co-opera

## **Boost for investment**

THE OIL companies have been given a number of relatively small benefits, the most important of which is the recasting of the capital allowances set out in Schedule 12.

This broadly follows consultative proposals set out by the Government last summer and is designed to bring the system of capital allowances for the oil industry more into line with the general provisions for the rest of industry.

Existing rules were framed many years ago, mainly for the Cornish tin mining industry. Capital allowances were con puted on a complicated formula related to output. This has been changed to a more gene-rous annual 25 per cent reduc-ing balance write-down in line with the rules for other in-dustries. Some extra help has also been given in respect of investments made well in advance of any return-with a maximum of six years.

The Bill also preserves two mportant existing allowances for the oil industry, the 100 per

One of these changes is intended to make tighter defini-tion of the boundaries between onshore and offshore for the purpose of assessing tax reliefs This follows the abolition of tax relief for exploration and appraisal for projects classified as onshore. Under the old as onshore. Under the old rules some quite large areas of sea between headlands and islands were classified as onshore. The Bill draws in the boundaries of the land close to the tidemark, including only

This will be helpful to some of the oil companies engaged in drilling projects in the inner cent research allowance and the of the oil companies engaged in provision which allows development drilling to be written off Hebrides and in some estuaries.

Oil taxation MAX WELKINSON

against tax as an operating cost The other provisions in the Bill which affect oil companies tended to tidy up some loose ends in the present rules.

those sections of water in between quite small bays.

the employee, but relief for visits by spouse or child will be limited to two in any tax

1984-85 and, in general, an employee will be entitled to them for a maximum period of up to five years. In the case of those employed by non-UK resident businesses, who had aiready enjoyed relief on an extra statutory basis without any time limit, transitional provisions enable them to claim relief for the five years from 1986-87 until 1990-91.

The proposal in the consultation document that a board and lodging allowance might be available tax free for a limited period for those coming to work in the UK does not appear to have been implemented.

The Bill also gives relief for travelling expenses, and the subsistence costs of board and lodging, to those carrying on a trade or trades wholly outside the UK. Under existing legislation relief has only been available where part of the trade was carried on in the UK.

stampable and, for example, a ourchaser of shares could not be registered as their owner without presenting a stamped transfer to the comtype of transaction at which the new tax is principally

aimed is, accordingly, one which avoids the creation of a transfer Thus where shares are regis-tered in the name of a nominee and the real owner transfers his underlying interest without the nominee's name to the purchaser, a charge to tax will will arise. Similarly, closing transactions within a Stock Exchange account and the sale of renounceable letters of allotment will become chargeable. The general nature of the provisions are as expecte charge means, however, that it the Budget resolutions.

Will apply to a number of other clauses of the Finance Bill are . Chargeable securities contend with stamp duty. Prise most registered shares Apart from being the oldest and loan stocks of UK registered by the Inland Revenue, companies or of foreign tered by the Inland Revenue, is kent in the UK. poned for more than months after the sale contract becomes unconditional, will be subject to the tax. Where a person acquires securities and then sells them on, instructing the original seller to transfer them direct to the ultimate purchaser, duty will now be charged on both the original acquisition and the subsale.

Generally, it will not be possible to enter into any transaction affecting chargeable securities, or any right or interest arising in respect them, without thinking about the stamp duty reserve tax. Even a transaction for which exemption may be claimed, such as a transfer between group companies, may it seems be liable to tax if the exemption has not been granted by the inland Revenue within the two-month period.

The tax is charged at 1 per cent of the sale consideration and applies to transactions on and after Big Bang (October 27). If tax is paid but within six years a transfer is executed and properly stamped, the tax is refunded with interest (currently 11 per cent) if the amount is £25 or more. The transferee is responsible for the tax unless he is only a nominee. for whom he is nominee

The remaining stamp duty provisions are as expected from

#### Revenue to end double relief on These extensions in the transferred trade reliefs available apply from

The transfer or cessation of trade normally means that tax losses must either be used or lost at that point. It is possible under the provisions of TA 1970 s252 to preserve tax where the transfer forms part of a company reorganisation, provided over the trade is in 75 per cent common ownership with the predecessor company.

> been used to enable a receiver to hire down a trade or part of a trade with its tax losses and so find a buyer willing to take on the trade as a tax shelter. Where the predecessor com-

the loss will in effect be borne creditors themselves may be entitled to relief on their bad debts in computing their taxensure that the successor comupon negotiating the result with
pany will only take over the the inspector concerned.

full tax losses where its predecessor has relevant assets in excess of its liabilities. If liabilities exceed assets, tax losses carried forward are reduced by the amount of that

The liabilities concerned are

#### Company reorganisations

FRANCES CORRIE

successor company taking those incurred in connection with the trade but not transferred to the successor: share capital, share premium account. This provision has often reserves or relevant loan stock are not included. Any consideration given on the reorganisation to the predecessor company counts as part of its

relevant assets. In general, these provisions pany is insolvent, the Inland will restrict a successor com-Revenue contend that part of pany's entitlement to tax losses unless it takes over the old by the creditors. Since the company's liabilities or leaves it with sufficient assets to meet those liabilities in full.

If a transferring company able profits, an element of carries on several trades (not double relief on the losses all of which are transferred), might be given. To prevent or hives down part-only of a this, amendments are intro-trade complex restrictions duced in the Finance Bill to apply and much will depend

## The problem of valuing a surplus

AS outlined in the Budget, occupational pension schemes will from next April be required to keep the surplus of assets over liabilities in the scheme within a certain limit.

If this limit is exceeded, schemes will have to cut back the surplus by improving benefits, giving contribution holidays to employees and/or ememployer. Such refunds will be and that assets will be valued subject to a 40 per cent tax be discussed basis—probably charge deducted at source.

Pension actuaries responsible for valuing schemes accepted the current uncertainty of method of valuing liabilities has Inland Revenue discretion. But they have been perturbed at the way surpluses would be calcu-

First of all, they believe the Chancellor's proposed limit of 5 per cent is too low and could 5 per cent is too low adulation lead to refunds at one valuation to be given by the Government followed by increased contribution although no early in the debate on the Bill. tions at the next. Although no

figure for the limit is given in the Bill, the Inland Revenue confirms that the 5 per cent will apply. criticism by Another

actuaries has been the proposed use of assets and liabilities to determine the surplus. It appears that their view that this

**Pension Funds** 

ERIC SHORT

is too volatile has been accepted future dividends for equities and future rents for property.

No indication of the precise original statement that if would be similar to that used by the Government Actuary in determining the contracting-out rebate for National Insurance

contributions. Full details are almost certain

#### Easier terms for overseas workers

this year's Finance Bill, leading to the relaxation of restrictions on the tax treatment of travel expenses of UK employees going to work abroad and of expatriate employees coming to work in the UK. Because the first announcement of possible relaxations in these rules was made by the Chancellor in his Budget speech in 1984. changes in the law in the tax payer's favour will generally apply from 1984-85.

TWO rounds of consultation

have finally borne fruit in

If a UK resident goes abroad to work, current legislation restricts the deductions which can be claimed for travel in connection with that employment. Provided the travel is paid for, or reimbursed by the employer, the new provisions now allow the employee to make any number of journeys from and to the UK during the period of his employment abroad, without incurring any liability to

tax. Journeys by the employee's wife or child to visit him while he is serving abroad remain restricted to two in any tax year.

Amendments in the Finance Bill also make clear that the whole of the journey, from any point in the UK, is available for relief, not just from the final point of departure in the UK.

Foreigners coming to work in the UK have previously been given some relief on travel expenses by extra statutory concession. These reliefs are now given statutory force and extended, in generously than the consulta-tive documents suggested. Relief is restricted to non-UK domiciliaries, but will apply to those employed either by UK resident or non-resident

some ways rather more

Overseas travel

FRANCES CORRIE

employers. The reliefs mirror those available to UK employees going abroad to work, so that any number of journeys home paid for by the employer will be tax free to

## THE MANAGEMENT PAGE: Marketing and Advertising

IT'S HARD to find a painter or decorator in Stoke-on-Trent these days—all the guest houses are being done up. The reason?
Europe's biggest garden "party"
—and Britain's second national

garden festival is about to begin.
Stoke, the festival host, is situated in the heartland of the Potteries, one of Britain's worst unemployment blackspots. It has been known in its time as "Smoke-on-Stench." But over the next six months some 3.5 million visitors are expected to flock to the newly-created urban leisure park with its 70 theme gardens, 20.000 entertainment events and non-stop festivities.

Four years ago the 180-acre site was the largest area of urban dereliction in the West Midlands, the last place on earth to go for a day out. The only souls who trod the shingle were tramps who huddled together on the ore tips for warmth.

Slurry tips, ore spoiltips, tar lagoons and disused mineshafts present an inhospitable setting for such a notable flowering of national talent. But that's the idea. Garden festivals are about the cultivation of much more than hothouse flora. The seed was sown 35 years

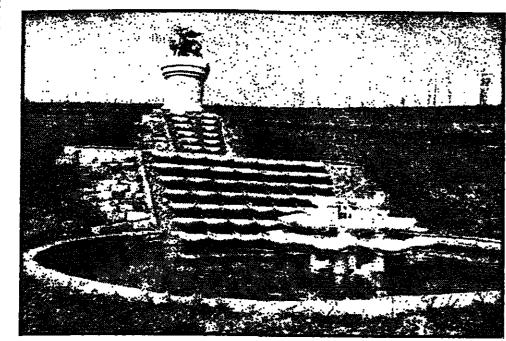
ago in a post-war West Ger-many faced with bomb-damaged inner cities and a dearth of leisure amenities. The inaugural Hanover Garden Festival of 1951 showed how it was possible to reclaim urban wasteland and offset the cost with the resulting pleasure park. One and a half-million people came to see. Festivals have been held in Germany at two-year intervals ever since: last year's event in Munich attracted 11m people. It was Michael Heseltine, then

minister for the environment, who saw the idea as a tool for countering Britain's growing blight of urban decay and brought it across the Channel. In 1984 Liverpool, post-Toxteth riots, hosted the UK's first festival. Three and a half million visitors turned up and sponsorship takings of £2.7m set a target for subsequent festivals to emulate and better. Funded jointly by central government, and local city and county councils who recoup their money through ticket sales, franchises, and commercial sponsorship, the idea is to be no burden on the taxpayer. The theory of garden festivals is to offer a cost-efficient means of restoring urban pride and boosting spirits. Once the land is returned to the city it should provide a magnet to commerce, thus generating jobs as well as open green spaces that offer a breather from the concrete inside.

A victim of its own industrial demise, Britain is only too able to provide such sites: Glasgow, Gateshead and South Wales are

Feona McEwan on sponsorship of the UK's latest garden festival

## 'Smoke-on-Stench' begins to bloom



"It's about re-energising the rea," says Malcolm Hawksworth, commercial manager of the independent limited company, National Garden Festival '86, the event organiser. "It's minds of everyone around." In the best community spirit, the idea is to involve every aspect of local life from Women's Institutes and Boy Scouts to mass media and business

Aiready 1,000 youngsters and not-so-youngsters have been mer militaken off the dole and employed NGF 86. to run the show under the Community Programme funded by munity Programme funded by the Manpower Services Com-mission. That includes 40 musicians, 489 wardens and supervisors, "farm" hands to build and run the "Festival Farm." and so on. Indirectly, the hope is that the employ-ment creation effect in the Stoke area will be much greater.

interests.

the day. Stoke is operating marina, four lakes and the under fewer commercial canal newly dredged, with four under fewer commercial restraints than Liverpool, since it does not have the official status of an international garden festival.

Of the £26.5m total outlay (£8m was spent on reclamation of land and is not regarded as a festival cost), £12.5m are capital costs and £6m operating costs. Given the sponsorship raised, this leaves £13m yet to find. "We need 3.5m people to break even," says David Hancock, a distinguished former military chief who heads NCE "86

greater.

But for all the social and environmental rationale, the UK, it swings 150 ft high corporation, Imperial Tobacco, over the whole show); 2½ miles (Kodak, Prudential Assurance, of narrow gauge railway track Nissan UK, and Wedgwood, are in place, complete with breaking even at the end of loco; and there's an 80-berth local ceramic manufacturers).

longboats.

The picture will be completed by May 1 by one million shrubs, flowers and trees. Like almost every other object and event in the Festival, even the humblest wheelbarrow will carry a commercial label.

Selling the concept of spon-

sorship for such an event, still unfamiliar to British business, has been something of an uphill struggle, though its success so far has exceeded expectation. Century Oils was Though there's barely a flower to be seen yet, the stage is set for what the advertising bills as "Europe's greatest day out in 1986." Marquees, gazebos, pond gardens are in place; the manorial Etruria Hall, once the home of Josiah Wedgwood, is restored to its Georgian splendour; the cable Georgian splendour; the cable TV. British Gas, British Steel one of the first to acknowledge Georgian splendour; the cable car railway is up (longest in the UK, it swings 150 ft high cover the whole show); 2½ miles Kodak, Prudential Assurance,

Little companies, too, have shown willing. Rotaform, for instance, was asked to design a litterbin for the event, and promptly tapped a nationwide market. Unlikely companies, such as Simon-Hartley, a maker of sewage pumps, have found ways of getting their names in lights, by sponsoring a theme garden and taking a hospitality suite.

hospitality suite.

"Many company executives are going to visit the festival this year and will be kicking themselves when they realise that they have missed a wonderful opportunity." claims Howard Davis, NGF's director of com-

the centre of attention very shortly, the public won't have heard much of it yet. This is deliberate. "At Liverpool too much money was spent too early and by the time we opened people had forgotten about us, says John Ayres, marketing consultant to both festivals. "For one thing, we don't have the cash available to sustain a long campaign, so we're leaving our main thrust to the last possible moment." Then there will be a £500,000 national television and press advertising campaign. By then, presumably, all the flowers and shrubs will be in

But flowers are only half the story. As well as being a visual feast, the festival will be pure entertainment. There will be 70 theme gardens (including scented garden, palm house, formal gardens, water garden and "loo" garden-sponsored by Twyfords, makers of bathroom furniture, using its products as sculpture). There will also be music (brass bands to classical planists), arts and crafts fairs, hot air balloon rallies and teddy bears' picnics and much,

No two days will be the same. Meanwhile the prize promo-tional item, the cable cars-18 chunky cubes — is still going begging. But then it is a flexible company budget that can find up to £500,000 handy. Skol's sponsorship of similar cars at the Heights of Abraham leisure declared to be the company's most effective promotional activity in 1985. Other outstanding promotional themes include a railway station (about £40,000) a train (£50,000) and the labyrinth garden.

And afterwards? The flat area that rings the site is zoned for commercial development, the woodland ridge in the middle remains public parkland, and the marina stays put. One building. "Greenhouse 2000," which cost £1m, will become the city's propagation unit, thus saving ratepayers an estimated annual £0.25m. Press '86

## An era of crossed fingers

Antony Thorncroft on prospects for UK newspaper advertising

IN 1984 British newspaper proprietors, rattled by the ability of the television con-tractors to tempt away advertisers, organised a conference to make the case for the press. To encourage advertisers to attend they held it in Berlin and offered a free trip. By all accounts, the occasion was ensure that marred by constant sniping at the enemy; instead of singing a priority. The main much attention was devoted to ference, the the rival medium.

Last week the exercise was repeated, this time in Paris. And television was hardly men-tioned at all. This is mainly because the press has, in recent months, stepped to the centre of the stage; it is enjoying a long running news story about itself, and the technological changes afoot have certainly boosted the confidence of proprietors.

So when a panel of news-aper chief executives paper 86 there was the rather com-placent air of men launching new product. Because the higher profits for News Inter-national from the move to Wapping, and the similar changes proposed at the Telegraph. Express, Mirror Group and Associated Newspapers, still lie in the future, the whole exercise was mainly window dressing. Press 1988 could be a great occasion: for the moment it is all crossed

fingers and question marks. When an advertiser asked when his company could expect some of the expected extra profitability from new tech-nology to be passed on in rate card reductions he was put in

#### Marketing abstracts

Can Japanese trading companies be copied? R. Sarathy in Journal of International Business Studies (US), Summer '85 (181 pages).
Analyses reasons why groupings.

Analyses reasons why Japanese trading companies are successful in exporting: (a) they obtain accurate marketing intelligence and act on it swiftly, (b) capital is provided at low risk by highly leveraged debt which is constantly "rolled over," (c) profits are allocated between members of customer benefits, and being loosely knit vertical organisations to suit the long-term Healthy Foods. H. Gosden in allocated between members of loosely knit vertical organisa-

duction of colour, and then promotion to increase sales. A better and bigger product, reaching more readers, should satisfy advertisers, although in practice the traditional cutthroat competition should ensure that rate card discounts continue. But they will not be

The main event at the conthe main event at the con-ference, the presentation of a qualitative survey compiled by the research group CRAM on the role of newspapers in people's lives was an anti-climax. Videos of readers drooling over their chosen paper, regarding it as a dear friend, stressed their loyalty but little else. From an information gathering point of view the most that came out of Press '86 was a succession of snippets.

Associated Newspapers, oo wnen a panel of news. Associated Newspapers, oer chief executives owner now of the London embled on Friday for Press Standard, is thinking of introducing its own rival London evening, called The Evening News. It would be slanted at a different readership, and have much reduced distribution costs. News International has gone against the idea of a London evening and favours a 24-hournewspaper with continuously updated editions.

> Newspapers continue to be very reluctant to offer adver-tisers daily information about

survival of all, (d) the government encourages companies to
form virtual export cartels, and
(e) good industrial relations
are guaranteed by the Japanese
culture, which values teamwork,
foods (eg sunflower oil
Figully, which values teamwork) Finally notes that Western com-panies, led by banks, could form similar export-oriented

Deadly mistakes of an advertiser. A. J. Byrne in Direct Marketing (US), July 35 (1] pages)
Offers 21 deadly sins of advertising, eg confusing attractiveness with effectiveness, talking product features instead of

improve and expand the pro- newspapers admitted that they duct, party through the intro-duction of colour, and then pro-motion to increase sales a

continue. But they will not be stading that 75 per cent of the a priority. its public launch were in response to ads in middle rank and popular papers rather than the qualities. British Telecom that the best maintained that the best return for money came from Working Woman Anadin meanwhile, used a mixed media" schedule of television and press in Scotland. The group maintained that it got an appreciable rise in sales and

market share for less money by bringing in the press.

The regional press made its usual noisy impression. It feels, probably rightly, that advertisers do not appreciate that the new technology that has finally arrived in Fleet Street has been commonplace in the provinces for years — Glasgow papers had colour pictures 50 years

ago.
There are now more free weeklies (842) than paid for (734), so that 86 per cent of the population receives at least one free sheet a week. By one free sheet a week. By publishing its own free papers the established press seems to sales—but they could give in to be checking the free-sheet rush. pressure. Bruce Matthews, In their customary style, the managing director of News regionals made the most International announced that graphic gesture of the two days the direct delivery from —stating that they too could Wapping to 7,000 retail outlets compete with Page Three girls in London for the first time allowed the company to put the regional quickly across the allowed the company to put who tripped quickly across the retailers on a computer. The conference stage.

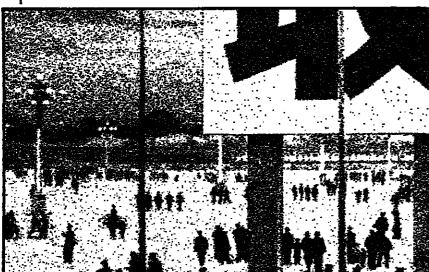
> Marketing (UK), September 19 1985 (3½ pages). Describes current trends in foods (eg sunflower oil margarine); doubts whether consumers are accurately informed by advertisers, and suggests large areas of consumer disinformation.

· These abstracts are condensed from the abstracting journals published by Anbar Manage-ment Publications. Licensed copies of the original articles may be obtained at a cost of £4 each (including VAT and p+p; cash with order) from Anbar, PO Box 23, Wembley HA9 3DJ.



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## A Royal collection of superlative quality

The Queen's Gallery at Buckingham Palace, space for which was made by a direct hit during the Blitz, has been in operation since 1962, staging exhibitions that tend on average to last a full year, sometimes longer. That such an exhibition programme could be sustained for a quarter of a century, draw. programme could be sustained for a quarter of a century, drawing virtually entirely on the resources of one private collection, is eloquent testimony to the enormous riches of the art the enormous riches of the art treasures that belong to the Queen. There have of course been shows devoted to drawings before — "Leonardo", "Italian Drawings" — and others in which drawings were a very important factor, relating to Holbein or Canaletto, for example. The display now opened, until some time in 1987 (11-5, Sundays 2-5, but closed Mondays), is however the first (11-5. Sundays 2-5. but closed Mondays), is however the first attempt to represent comprehensively the entire range of "Master Drawings in the Royal Collection, from Leonardo da Vinci to the present day." "Comprehensively" has involved some very nice decisiontaking: the selection is from a stock of some 30,000 items (though that includes water-colours which are deliberately excluded from this choice, in reserve for a later occasion). reserve for a later occasion)

So we have an assembly of 149 drawings, the common quality of which is simply that it is, in general, of the very high, and often of the highest Within that superlative quality, the development and variations of the art of drawing in Europe offers the most rewarding variety of style, technique, subject matter and purpose. Not that it offers much evidence of the consolidation over five cen-turies of a systematic and coherent collecting policy. At times, the student may almost get the impression that the col-lection has just accrued through time, with fantastic deposits suddenly appearing from it's not quite sure where. Six hundred Leonardo drawinss, the "great booke" of Holbein portraits, the major drawings by Raphael and Michelangelo; the positive hoards of work by Guercino, by Castiglione, by the Carracci, by Avercamp — or Washington. However, in isolated felicities, such as Oliver's brilliant copy, the

other, the smaller,

luxurious Mark Taper Forum.

(In the middle is the musical

one, the Dorothy Chandler Pavilion.) The plays at the

outer theatres at this moment

have both been the recipients

of Pulitzer Prizes in their res-

William Inge's Picnic, at the

Ahmanson, dates from 1953, the period when the American, like the English, theatre was

beginning to show new man-ners. Picnic belongs firmly in

the old regime. It bears no message, social or political; it

is over-full of incident and

small supporting parts; it is ill

constructed, the characters coming on or off as the author

needs them rather than the situation. Yet its tale of

Kansas small-town belle Madge's seduction by swagger-

ing no-good Hal is moving enough in its chosen style, that

of a Saturday Evening Post serial, and it ends in heart-

tearing pathos.
In this production, directed

by Marshall W. Mason, Madge is cleverly played by the very pretty Jennifer Jason Leigh. She keeps her entirely lovable, but never hides her silliness. It is unhappy for her that Inge

small-town belle

less



"Holy Family," by Nicolas Poussin

visibly as it no longer does in the original oil painting. The great strength in depth (and at the peaks for that

matter) is provided by the Italian drawings, set out in all their splendour and authority on the lower level of the

Gallery. The installation has incidentally managed to achieve that difficult compromise between the requirements of the

conservationists for low levels

of light and those of the visitor for visibility. The selection has been judged with delicate discrimination, between the claims of the famous sheets and those of large and those of the second page 1888.

of less well-known ones; there is something for everyone. The seven Leonardos shown include

that caressingly precise record-ing of a female hands and arms, that perhaps were studies for the Ginevra del Benci that has

been cut down to a head and

when she hears the shot from

And indeed old Mrs Cates

does hear that shot, just as

Jessie told her. What fills the

time in between is the every-

day talk of the women, in which the proposed suicide is

hardly treated as more than a

housekeeping detail. Some family matters are mentioned,

cunningly muted - we never know much about Ricky or

Cecil or Dawson, yet, though we do not see them, they are

as real as the new sofa-cover.

tension is the ever-reinforced feeling that some way out of

the deadlock must be found

or that Ms Norman may play

some dramatic trick on us. But

the deadlock is resolved just as Jessie said — the very con-clusion the ordinary theatre-goer would least expect. Kathy

Bates and Anne Pitonlak are

the impeccable players under

The award of Pulitzers to these two plays at an interval of 30 years is an interesting

commentary on the progress of popular drama — a favour-

commentary, it seems to

Tom Moore's direction.

What sustains a gripping

hound: you can almost see it brilliantly illuminated leaves from a large French missal of around 1400 seem to have vanished from a library in Rome as late as the 1870s. to surface in the Royal Collec-tion a few years later. On the other hand, there are two meticulous miniature copies by Peter Oliver done for Charles I from original paintings then I from original paintings then in the Royal Collection. Both originals were sold after the king's execution; one was Raphael's St George and the Dragon, that found its way to France and on to St Petersburg and the Hermitage, and thence in that weird sale of the 1930s when the USSR sold off masterpleces to raise hard currency, to the National Gallery at Washington. However, in dragon still belches smoke shoulders.

Pulitzer prizewinners/Los Angeles

The Music Centre in the separate schools it is in the separate schools it is in the separate schools it is it is a more theatres, only one of them interesting character, for Dana devoted to music. At one end Hill's playing of this part is the big, luxurious brilliant. Inges character she can She even tells her Ahmanson Theatre; at the drawing is always vivid, exag-

gerating the importance of less important characters. Besides

Millie, we have the ageing but romantic schoolteacher, attrac-

tively played by Michael Learned (who is a lady). Her

middle-aged romance with busi-nessman bachelor Howard (Dick

van Patten) is only decoration, yet it is written and played to

At the male end of the seduc-

tion is Gregory Harrison (like

most of the cast, a popular TV figure) as Hal. He properly radiates sex-appeal while stay-

ing instantly recognisable as a

potent danger, and has no real rivalry from his respectable rival Alan (Timothy Sheldon).

the yard between Madge's family's house and the house

next door, but halfway through the second scene of Act One the

houses slide away and coloured lights outline in the darkness

the scene of the eponymous

At the Mark Taper is Marsha Norman's "night, Mother (an ill-punctuated title if ever I saw

one). A few minutes after this of a splendid 90-minute two-hander combegins, Jessie, the hardworking, depressed daughter of the widowed mother she lives with, me.

John Lee Beatty's set shows

the full.

pienic.

B. A. Young

resolved Michelangelos; a whole show case full of elegant Parmigianino, Others. like Barocci's most subtly tender head of the Virgin are perhaps much less well known.
The seventeenth century showing is however scarcely

less rich. The major strength of the French representation is in the work of those two expatriates in Rome, Poussin and Claude Lorrain. Bernini is there, adumbrating in rough chalk a majestic fountain of Neptune—but Bernini most riveting in a late self-portrait; a head of unswerving intensity, uge eyes dilated in concentration. Guercino's inexhaustible seduction is well represented in three drawings, and Castig-tione's forceful oil-on-paper technique provides some of the nost striking images in the exhibition.

On the upper level of the Gallery the 18th century opens out with several drawings by attists who are represented in strength, especially the Venc-tians, whose work came mostly when the great collection of the legendary Consul Smith in legendary Consul Smith in Venice was acquired by George III in 1782. Canaletto of course — but also five of those large studies of heads by Piazzetta, in which the very soft chalk medium is handled with exquisite sensibility, sometimes even delicately smudged with the thumb center.

blity, sometimes even delicately smudged with the thumb; genre subjects really, that in mood may even call Greuze to mind. Sebastiano Ricci is there likewise, but not Tiepolo nor Guardi, as with the French of the period there are a Boucher, a Picart, but no Watteau or Fragonard.

a Picart, but no Watteau or Fragonard.

Similarly with the British—no Gainsborough, but an expressive Hogarth study for a scene exhibition, but there is also a for the Beggar's Opera of which for the Beggar's Opera of which he produced more than one lent texts by the exhibition version in oils. Paul Sandby is organiser. Jane Roberts, and revealed as a delightful figure draughtsman, especially pering the exhibition but also haps in two feminine elegances related works, and as bonus, the restebed on to paper as a gusta backs of those sheets which snatched on to paper as a cust-ing wind carches them from have drawing on both sides, behind, moulding their cum-brous skirts on to their curva-cialist a learned appendix on ceous backsides—could almost watermarks (Collins Harvill. be Fuseli in a light-hearted £17; paperbacks £8.95).

The last section in 19th and twentieth centuries, and here some of those shown here. Queen Victoria was genuinely interested in drawing, and a diligent practitioner herself, but her two drawings shown (copies after Westall and Landseer) must be included for piety or curiosity value; they lack the fresh if naive charm that her sketches from Nature revealed to an enthusiastic public when published a few years ago.
Overall, the authority of drawings of the earlier periods seems largely lacking, and it is mainly British artists represented (there is a strongly characterised head by Delaroche but pobling for example

onswering the artist's with what looks like a somewhat unnerving scrutiny. The strongest images of our time however are provided by Topolski in drawings from his series of portraits of writers, including those two great sibyls of post-war English letters by Compton Burnett and Edith Sitwell. Topolski's exploring postless line weathers these restless line weathers these restless the weathers these aged ladies, eroding them from the paper as if the action of time uself. The Topolskis, incidentally, are lent by the Queen from her own personal

case catches Henry James's eyes

## The Gambler/Hampstead Theatre

#### Michael Coveney

Mel Smith, Bob Goody and company of four actors pre-composer Peter Brewis first face the action with a joshing tempt, the other a gangling, brandished this ebullient, ener- audience-baiting routine—heads savagely neurasthenic nockgetic, faintly repulsive and you lose the price of a ticket, nosed victim. Each, at the drop hugely enjoyable gambling tails they win it.

Trevue under Hampstead's ausilia they win it.

In its evocations of big race identity to join Paul Brown and prices in a Kentish Town pub day at Sandown Park or a six years ago. The theatre has mulley band of characters going gossipping bar staff in Edna now recognised the show's to the dogs at Leytonstone, the Everage spectacles, sloshing gin potential by turning itself into show combines the rich and and Pernod over the punters; a den of vice and iniquity: steamy flavour of Howard Bren- excitable race commentators; Grant Hicks's design, laid out ton's Epsom Downs with the things in black glasses: on a floor level green baize slick vulgarian authenticity of The gambling disease is cloth of squares and numbers, John Godber's Bouncers for incorporates bookies booths, Hull Truck. But it has the

to an enthusiastic public when published a few years ago. Overall, the authority of drawings of the earlier periods seems largely lacking, and it is mainly British artists represented (there is a strongly characterised head by Delaroche, but nothing for example from Ingres or Degas). But there are exceptions: an excellent study of Elgar, not least of his moustache, by Strang, homage to Holbein no less than to Elgar; one of Sargent's broad charcoal portrait heads, which so often seem rather vacuous exercises in politeness, in this case catches Henry James's eyes Before, the piece was pri-

greyhound starting flaps, fruit added advantage of the music; machines and a vulgar, glutter the contrapuntal facility and ing mauve bandstand for Mr textural strength of the opening Brewis and his three talented "Get Your Life" (as in Sportfellow musicians.

Before, the piece was primited the piece was primited by the piece was

The gambling disease is briefly subjected to hilarious Freudian analysis, but the chief pleasure is to be had from the surprise switches of mood and pace, Mel Smith abandoning his ferociously foul-mouthed heavy persons to play havoc with alienation convention, and giving a ludicrous explanation of how a cer ride presentational problem was solved in a workshop situation, by four people bobbing up and down on four chairs. The audience is invited to bob along as well; in the next scene a mimed pool game is interrupted with a reprimand table that does not exist. The survive such odd and ingenious



Bob Goody, Philip Davis, Mel Smith and Paul Bown

#### New York Exhibition/David Vaughan

## La Nijinska; A Dancer's Legacy

David Murray

Bronislava Nijinska, the school in Kiev in 1919.

Brilliant exponents of almost anybody who can write a string quartet, the Arditti Quartet have attended specially to the music of Elliott Carter. On Tuesday he was in the audience day he was in the audience of their performances of all for th these works, of course, is such return to Western Europe in these works, of course, is such return to Western Europe in these works, of course, is such return to Western Europe in these works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such return to Western Europe in the works, of course, is such as a suc creators a place among the initially to assist in the staging greatest choreographers of this of The Sleeping Princess, but it

> Early Memoirs, one of the most deeply moving dance books, that she was closer than anyone to her brother, both personally and artistically. innovations he proposed in Faunc, Jeux, and Le Sacre du printemps were to provide the basis of Bronislava's own choreographic experiments.

> Eurly Memores, tantalizingly, breaks off before its author embarked on that part of her career, which is summarized only briefly in an appendix. An opened at the Cooper-Hewitt accompanying catalogue, go a long way towards filing the gaps in our knowledge of the life and work of this extra-

ordinary woman. A member of Diaghilev's original company, she left soon after her brother's dismissal following his marriage, and worked with him in his ill-fated London season in the spring of 1914. She then returned to

clear that he saw in her a century.

is clear that he saw in her a
We know from Bronislava's choreographer who could substantiate the avant-parde posi-

tion of the Ballets Russes. Both Nijinska herself and her daughter Irina assert that she left Diaghilev because he rejected her ideas for abstract ballets, though he evidently approved of the abstract nature of her choreography for Les Noces-and, for that matter, of Balanchine's Apollon Musagete five years later. She apparently moved further in the direction

subsequent ballet. One may assume that her later eclipse is attributable to the fact that such ballets as Brahms Variations (1944) Schumann Concerto (1951) were, to say the least, inferior to Nores and Biches. The revelation of the greatness of those ballets, in the Royal Ballet revivals of the 1960s,

of abstraction in many of her

exhibition with a conviction of the superiority of Nijinska's 4 1987, and makes a final stop imagination, intellect, and taste. Her ballets for Diaghilev had

ska formed a "c company, Theatre graphique, which made its debut in Margate, of all places, in the summer of 1925, and proceeded to tour such resorts as Bourne mouth, Brighton, and Bexhillon-Sea.

Alexandre Benois, who de-signed the ballets Nijinska stein in 1928-1929, was evidently less in sympathy with her experimental approach, but these are exquisite designs.

We are already indebted to Irina Nijinska for her edition of her mother's memoirs and for recent stagings of the ballets. It is also thanks to her that most of the materials in this exhibition have been preserved and made available. Its curator supplemented them with weilchosen loans from private and public collections, and put together the informative carefully documented and beautifully illustrated catalogue. The was all the more stunning, exhibition continues at the therefore.

Cooper-Hewitt Museum until One comes away from this July 6, moves to San Francisco

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1985 should be detached and be collected in the usual manner.

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The profes win no longer of the Redemption Date and the coupons for such interest shall will cease to accrue from and after the Redemption Date and the coupons for such interest shall

e void. Payments at the office of any paying agent outside of the United States will be made by United Farments at the state of the transfer to a United States dollar account with, a bank in the States dollar check drawn on, or by transfer to a United States dollar account with, a bank in the Borough of Manhattan. City and State of New York, Any payment made by transfer to an account Borough of Manhatian. City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payees not recognized as exempt recipients full to procide the paying agent with an executed IRS payees not recognized as exempt recipients full to provide the payee is not a United States person, or form W-8, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS form W-9, and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment. was and who has to do so man be caught to a penuty of 500. Ple appropriate certalication when presenting your securities for payment.

CARTER HAWLEY HALE OVERSEAS FINANCE N.V.

Dated: April 17, 1986

## Carter's quartets/Elizabeth Hall

for their performances of all three of his quarters from 1951, 1959 and 1971-and he appeared to be well satisfied.
Each piece requires not only an heroic ensemble, in which everyone can keep his head even when his colleagues are disappearing rapidly in foreign directions, but one consisting of individual virtuosi, for cadenza-writing of fearsome

difficulty abounds. The Arditti players were magnificent and intrepid.
Though from the listener's vantage point it might be easier to hear the quartets in chronological order (they grow shorter, but tougher and denser too), it would be tempting fate to perform them thus, leaving the horrendous challenge of the Third till last. The Arditti

put the long First Quartet after the interval, and just before it the Third, which they played with the guidance of a click-track on earphones—
hardly a safety-net, but a kind of lifeline amid the metrical rapids. There was no resultant feeling of constraint; on the contrary, it was an extraordinarily febrile performance, with high dramatic tension between the opposed duos at breakneck opens on April 28,

favourite of Carter's—raised to a higher power; the chord spacing, too, has a Skryabinesque cut. The Second, which opened the concert. insists more upon a specific character for each different instrument, and exploits the possibilities of dialogue and possibilities of dialogue and argument with with imagina-tion—often terse, occasionally expansive. The accelerating drive toward the final Tempo giusto was superbly managed.

The first Quartet plays with roles too, but its burgeouing structure has Beethovenian sinews. Its wealth of material was scrupulously stamped with distinct characters in the Arditti performance, and Carter's knotty developments absorbing exhibition, "Bronibecame astonishingly lucid. The slava Nijinska: A Dancer's work is virtually a grand sym- Legacy." that has recently work is virtually a grand symphony for four strings, and that was exactly how they made it, Museum in New York, and the

Change of conductor The Royal Opera's revival of Tosca will be conducted by conductor of the Royal Danish opera, in place of Robin Staple ton, who is ill. The opera

LONDON

The Tate Gallery: 40 Years of Modern

Art is a huge, rambling and always fastinating display marking the re-tirement of Ronald Alley, Keeper of

the Modern Collection for the last 36

years. He has chosen and arranged the show, drawing only on the Tate's stocks. Revival of critical in-

terest in European work before 1960 has meant that the influence of the

New York School is no longer the power it once seemed. The work

now take its place with its interna-

tional peers. The Tate stands among

the best of modern collections, and

this show makes clear its unique

character of generosity and open-mindedness, Ends Apr 27.

PARIS

Rembrand's engravings: Engravings from the Dutuit collection represent Rembrand's intimate world, his

family, his friends, even shopkeep-ers and beggars. Every subject in-terests him, from biblical scenes to the most varied expressions of his

own face, from a portrait of a philos opher to an image of a couple mak-ing love. He experiments endlessly with the technique of etching, with

different types of paper until he

## Arts Guide

Music/Monday. Opers and Ballet/Tuesday. Theatre/ Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

#### Exhibitions

Rome: Galleria Nazionale d'Arte Modsome: Gaueria Nazionale d'Arte Moc-erna: Giulio Turcato: Murvellous ex-hibition by one of the liveliest of contemporany Italian artists, now in his eighties. Joyful, irrepressible those of the Communist Party (which he joined in 1943) or piety. He declined to accept the party's strictures on how artists paint, and one of his most famous works, The Demonstration (ii comizio), on show here, was severely criticised by the party leader, Togliatti, as being too abstract. Ends April 30.

#### **WEST GERMANY**

Hamburg, Museum für Kunst und Gewerbe, Steintorplatz 1: To honour Kokoschka, this museum is showing his complete works for the theatre.
The 250 items cover costumes and set-designs. Ends April 27.
Berlin, Haus am Waldsee. Argentinische Allee 30: 1960-1965 Aspects of Julian Act 200 complet by 20 Inc.

of Italian Art. 100 works by 30 Italian painters, covering the last 25 years. Among them Ceroli, Fabro and Kounellis (End.; April 27).

#### BRUSSELS

The Phoenicians and the Mediterranean World. Sculptures, ivories, je wellry and glass from Tyre, Sidon Rubins, Malta, Thebes & Cartheon Società Générale de Banque. Ends

SPAIN Madrid, "Max Ernst": A vast retrospective of master of surrealism on show

April 11-17 achieves the same strength of artis-tic expression in engravings as he does in paintings. Peut Palais, Closed Mon, Ends April 20 for the first time in Spain gathers 125 works of his early Dada, frot-tages, collages and later stages; surrealist works up to his death. On loan by the Mona, Centre Pompi-(4265 1273). dou. Gurcenheim and Menil centres **NEW YORK** in Europe and the States, offers the

#### fullest study we have yet had of the work of one of the most relevant art-Metropolitan Museum: Liechtenstein ists of this century. Fundacion March, Castello 77. Feb 28 to April

the Princely Collection, one of the greatest private collections in Europe, shows a variety of the hold-ings, like a French Rococo carriage, firearms, sculpture and a hundred paintings, including 19 Rubens, five Van Dycks, and eight Franceschi-nis Ends May 1. nis. Ends May 1. WASHINGTON

National Gallery: The 150th anniver-sary of Winslow Homer's birth is commemorated in an exhibit of 100 watercolours of rustic scenes and rural life, which show Homer's experimentation in watercolours before he attempted subjects in oils. West Building. Ends May 11.

#### CHICAGO

Art Institute: The 75th American Exhibition chronicles the current scene in American art represented by 20 artists including Jennifer Bartlett, Roger Brown, Frank Stella and Ed Paschke. Ends April 27.

#### TOKYO

Noh Costumes and Kyogen Masks: 20 beautiful costumes from the Edo pe-riod (17th-19th century) and Kyogen masks from original 14th century era of consolidation of Noh into its present form. Okura Museum in front of Hotel Okura. Ends Apr 20.

## Saleroom/Antony Thorncroft

#### Gilbert's record return Sir Alfred Gilbert, whose trait of Mrs Perugini by Millais,

dilly Circus, is enjoying a ling a leritical acclaim he has not loved or enjoyed since his heyday a £13,750.

century ago, thanks to the current exhibition devoted to his reasonab

work at the Royal Academy.
This is reflected in his prices at auction. Sotheby's sold yesterday a bronze, 30 ins high, of his "Comedy and Tragedy" for £55,000, as against a £20,000 top estimate: it was a record price for Gilbert. Inspired by the W. S. Gilbert play of the same name If went to a private collector, who also paid £22,000, at the lower end of the forecast. for his "Perseus Arming," 27 ins high. A smaller, 14-inch bronze, of the same model sold for

£11,000. The Victorian pictures on offer were not sensational but did well enough, with the whole sale totalling £850,124 with 15,7 per cent unsold, "A Bacchante" leopards, went for £28,600 while

most famous sculpture, Eros. A genre scene by George Smith, has just been returned to Picca- showing a country family reading a letter from a distant loved one, was on target at

Islamic works of art did 18.9 per cent unsold. Axio. a London dealer, bought an early Ottoman silver gilt jug of the 16th century for £33,000 and Ahuan of London acquired an Isnik pottery dish of around 1530 for the same sum.

Joan of Art, a London dealer, secured a Safavid open work steel plaque of the mid-16th century for £24,200, and an Ottoman gilt copper heimet of the 16th century made £22,000, double its forecast. A rare Ottoman marquetry wood table with an Isnik tile of the mid-16th century made the same sum: it is similar to the throne in the Topkapı Museum.

Top price of the day was the by Arthur Wardle, a rather £75,600 paid at Christie's for a decadent picture of a girl hold-set of the best issue of David ing grapes and mobbed by Robert's famed "The Holy Land, Syria, etc." with 241 Weston Gallery of Norfolk paid plates. The same buyer secured \$26,400 for a presentation por-unother celebrated book 126,400 for a presentation por-trait of Louis Priestman, Master of Fox Hounds of the Braes of 1818-30, produce for Napoleon, Derwent, for 51 years, It was painted in 1908 by John theatre de la Grande Bretagne "Charlton Charlton.

Another dealer Jeremy Mass plates, for fil.880. Twenty-eight paid £20,900 for "Diana," a luscious nude by Thomas Kenluscous nude by Thoma nington, and a third, Christo- Birmann & Fils, were within pher Wood, £12,100 for a por- estimate at £18,360.

#### FINANCIAL TIMES

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Thursday April 17 1986

## Mr Lawson misses his cue

this year not to expound his monetary policy in his Budget speech, as Chancellors usually do, because he has found that MPs are easily bored by technicalities. Instead, he too late to be of any use as a control of the control of t technicalities. Instead, he would give the details to the professionals, who have become increasingly puzzled by the stance of monetary policy, in a

speech in the City.

That speech was delivered last night, and it must be conceded at once that it would have bored Parliament. This would certainly not, however, have been due to a surfeit of nave been due to a surrent of technicalities, for the speech contained none. Instead, his city audience heard a replay of all-too-familiar rhetoric, which City audience heard a replay of all-too-familiar rhetoric, which could have been reduced to a single sentence: monetary policy is anti-inflationary because I say so.

#### Strong case

The only evidence that the Chancellor could adduce for this claim was the fact that inflation has in fact come down; but he was not able to show that this was due to the conduct of monetary policy. Given that indation has fallen worldwide, that real

interest rates have risen to historically high levels, that the UK has suffered the sharpest industrial recession in modern times and that trade Partial answer union militancy has con-sequently been disarmed, it

within the European Monetary System: "Maintaining a fixed tries who share our resolve to reduce inflation is a pretty robust way of keeping domestic monetary policy on the rails."

But as he baldly added the country of the country ported by the Foreign Secretary of the country of the coun

ACCORDING to the advanced test on whether its whole finan-billing, the Chancellor decided cial policy has been successful: this year not to expound his but as Mr Lawson explained. too late to be of any use as a guide to current policy — and, he might have added, is much

too inaccurate. There remains narrow money, Mo, which Mr Lawson persists in describing as a reliable lead-ing indicator, but which most City analysts still regard as a passive lagging indicator, and M3, for which even the Chan-cellor's new, enlarged targets

stantial margin in interest rates even over such recently inflation-prone countries as France to maintain inter-national willingness to hold

This lack of confidence is easy to understand. Britain has still not succeeded in checking the growth of domestically generated costs; as the Chancellor has frequently put it. interest rates must remain high ecause wage increases remain high. Furthermore, the consis tent overshoot in broad money is beginning to make th official explanations decidedly thin. look

As Mr Lawson himself would be surprising if inflation reminded us, there was a had not fallen. Fiscal policy in this period has been fairly consistently deflationary. Moneton sistently deflationary. Monetary 1971, although interest rates policy, whether measured by broad money or the exchange rate, has not been consistent The broad results, however. rate. has not been consistent in any sense.

To do Mr Lawson justice, his heart did not seem to be in his task, He stated, briefly, a strong case for a policy frenzy. The inflationary threat is the broad results, heart a build were rether the same: a build up of corporate and institutional liquidity leading to something near speculative frenzy. The inflationary threat is sufficiently a flight. strong case for a policy frenzy. The inflationary threat centred on an exchange rate is still for the future — a flight out of money into real assets when the financial boom has

Government does not yet think fidence in the currency. But this is only a partial ans Meanwhile, however, the the questions of policy instrumarket requires some idea of ments, market structure and what guides policy outside the credit control which the Chan-EMS. It is clear that the Gov- cellor did not discuss are still ernment now regards the path on the agenda, and time is of nominal GDP as the final getting short.

## Tighter rules for export subsidies

WHEN GOVERNMENTS give credits to richer nations (which money for famine relief, they do not receive aid anyway) and expect it to reach the mouths of the starving. But when they give development aid, they too often forger that the money is for economic development.

for economic development.

A large part of a rich nation's aid programme is credits to the rest of the world "tied"—meaning that the poor country can have its steelworks, 30 per cent now, rising to 35 its port, or its hydro-electric per cent next year.

dam, provided it places the But the latter proposal is condam, provided it places the contract with a company in the ditional on changing the discount calculation so that the cost giver succeeds in dong good of injecting aid is made more twice with the same amount of equal, as between countries with the economic development of the recipient and supporting and those with high interest rates such as West the order book and payroll of rates like France and Italy. That one of its own exporters. Some-would be achieved by using different the content of the conte times the act of charity turns out a disaster for both: the currency rates, in place of the country gets a white elephant arbitrary 10 per cent across the and the contractor makes a loss. board.

and the contractor makes a loss.

In the last few years, the purpose of development aid has been perverted still further as donor countries by using the 10 per cent scramble to land scarce meganotional discount, countries with low interest rate currencies can projects for their own contractors. In some developing countries these days virtually no big order is won without concessionary finance dressed up as aid.

#### Discount factor

One of the questions for ministers of the world's richest nations when they meet at the recent progress towards dis- industry, armament in the export credit. What nobody will know until

quarter of the total export credit support of the West Germans and Dutch, who were outvoted where the aid takes the form of a soft loan over, say 20 years, rather than once-for-all cash densiting the grant element. donation, the grant element 15 donation, the grant element is not explicit and so a "discount the process of separating aid factor" of an arbitrary 10 per cent (to reflect the falling value this further step. If logic will cent (to reflect the falling value of money) is used to calculate

made two largely irrelevant con-cessions: it agreed that no aid do Japan no end of good when should be included in export the big guns arrive in town.

already).

It went on to say that mixed

ferent discount rates, related to

appear to be providing more aid for each project than they really are, and their tied aid budget therefore goes further and wins more business than the others.

The real target of this latest negotiation — unidentified, of course—is Japan. Her large tiedaid programme, much resented by western commercial competi-OECD in Paris today is whether the informal rules limiting tied-the informal rules limiting tied-through. according to the Min-

armament in the export credit race, the chances of a break-through this time are rated little better than evens.

At present the rule is that if a country wants to use aid money to buy project work in the developing world, the grant element should be at least a quarter of the total export credit; and Dutch who were south as the developing world, the grant element should be at least a quarter of the total export credit; and Dutch who were southered. Swiss and the Austrians.
It is to be hoped that Japan will swallow the pill so that

not persuade them, perhaps political considerations will. In The US has long sought to just over two weeks, Tokyo raise the grant element to 50 plays host to the economic sumper cent. Last week the EEC mit talks. A small concession WEST GERMANY'S FAMILY COMPANIES

## Growing pains for the business

By Peter Bruce in Bonn



of the DM3m a year business to look beyond their own board-since 1952, he cannot find a rooms for new money. The

buyer. "I am the business," he says. His 10 employees would cost up to DM 80,000 each to lay off. He remembers an uncle that security. Now, however, the banks are beginning to show signs of irri-tation with some of their indus-trial holdings, many of which who worked well into his 70s because he could not sell the have cost them a preat deal of time and money. The troubled electrical concern AEG was sold off last year to Daimler Benz by the banks that rescued it. The Deutsche and Dresdner hanks are understood to be tree. The West German economy is anchored in family businesses —a few dynasties and more than 1.5m companies employing 20 or fewer people. While famous names like Krupp, Thyssen, GHH and Daimler banks are understood to be trying to sell their majority stake in the country's biggest ship-ping concern, Hapag-Lloyd.

rooms for new money. The strength of the German family

business derives directly from

Benz, some still captive to family interests, stole the limelight during the post-war reconstruction, a great deal of the hard work was done in tiny lants in tiny towns by tiny The banks are also being encouraged to cut their indus-trial holdings by the governplants in tiny towns by tiny ment. The most senior civil servant in the Bonn Economics family companies. Even today the German machine tool industry remains almost exclusively a collection of medium-sized family businesses Ministry, Mr Otto Schlecht, last week urged the big banks to sell their industrial holdings "and spread them over a wide that constantly out-export areas," arguing that the scale of bank involvement in industry Changes of generation often take place perfectly smoothly in family companies. Just outside Stuttgart Mr Hans is now so great that it threatens to damage the country's economic and social traditions.

As the banks have become more involved in international Peter Stibl, who owns and runs the world's biggest chain saw markets, so they have been im-pressed by some foreign bankmanufacturer, founded in 1928 by his father Andreas, says confidently that he will hand over the DM Ibn a year empire ing practices-particularly merchant banking and its associated fees structure. "When we men-On a more modest scale, in Tutlingen, not far from the banker experienced in dealing with family businesses, "our clients often don't know what Swiss border, young Wilfried von Briel is beginning to we're talking about."

assume control of the tiny leather goods business founded players in the revival of Ger-

assume control of the tiny leather goods business founded by his grandfather in 1927 and taken over by his father in 1953. The von Briel "factory" is at the back of the house and does about DM 2m sales a year. "My father is pulling out slowly." says Mr von Briel, "and there was almost no doubt that I would take over."

But transfers like these, especially in larger businesses. The banks are also crucial ing to London and New York More than 30 companies have many's stock markets, which been listed on the now transformed German bourses in the surjection formed German bourses in the past three years and the banks are also crucial ing to London and New York More than 30 companies have been listed on the now transformed German bourses in the surjection formed German bourses in the past three years and the banks are also crucial ing to London and New York.

More than 30 companies have business. Retween the end of are competing feroclously for the war and 1977, only 27 comnew broking business. The markets. Recently the banks when it takes the rump of the war also the only stockbrokers) expectation. especially in larger businesses, have begun to respond to the next few months.



Most of the important public flotations of the past few years strong D-mark, potential German equity capital in private hands has for years been leaking to London and New York.

Store than 30 companies have hands have than 30 companies have the Henkel chemicals group, the Axel Springer publishing empire, and, soon, Traub Machine Tools — have been family businesses politely directed to the stock markets by their bankers.

There is no reason why this should stop. Bankers in Frank-furt are not dismayed by the recent weakness in share prices,

of their other industrial deb-tors alive. Jochen Holy, one of tors alive. Jochen Holy, one of the two brothers who own and run Hugo Boss, says he was amazed by the Detusche Bank's determination to take their company to the market at the end of last year. The brothers eventually gave the job to the

Mr Holy concedes that floating shares is for many Germans an uncomfortable thing. "It's very German to hold on to your money and to brook no interference. We don't like to part with control." In order to overcome this reluctance, the banks have agreed that most new bourse entrants, Boss in-cluded, should first issue only

almost immediately split into two camps and squabbled over the leadership, disrupting management and delaying long-term decisions until the group fell, exhausted, to Daimler a year After the death of his son in

facturer of locomotive braking systems, left the group to his tive, but only after proving nun-two grandchildren, Liselotte and Joachim. Liselotte left her stake to, his father in running the to her son, Jens, who fought his uncle from the moment he joined the business in 1972. In the resulting turmoil, Knorr suffered. The diesel engine producer MWM had to be sold while Jens has joined a full-time religious sect.

An even more extreme example is the publishing empire of the late Axel Sprin-

Just before his death last year Mr Springer agreed to float his empire but attached such tight conditions that the 8,000 to 10,000 shareholders cannot trade the shares without the permission of the Springer

which rose nearly 80 per cent last year as measured by the Commerzbank Index. All the economic signals, apart from persistently high unemployment, are positive. As the banks become more experienced at leading companies to the market, and as local investors slowly disabuse themselves of the notion that "bonds are an investment, shares are a gamble" the rate of entry into the stock markets looks likely to grow.

The Industriekreditbank has identified more than 500 potential bourse candidates, most of which are family-owned, and the market constantly buzz with anticipation of big things to come. Will the Rochling family sell off its share in Rheimmetall, the ammunition producer? Even bigger, will the Quandt heirs sell their majority stake in BMW?

The profits and prestige associated with leading new flotations have come as a tonic for the banks after years of nerveracking attemps to keep some of their other industrial debtors alive. Jochen Holy, one of more money than ever. The family is represented by a small elected group on the company's supervisory board — but there is not so much as a distant cousin on the staff.

Ideally, he says, family owners should collect them-selves into special councils with completely independent advisers — no creditor banks, suppliers or customers as is frequently the case on West German supervisory boards in order to assure themselves of the best unbiased advice possible. Then they should let hired managers get on with their jobs.

preference shares, which carry no voting rights.

Some attempts to keep family control have foundered. When the aerospace pioneer Claude Dornier died in 1970, for example, he simply handed Dornier over to his six sons who almost immediately split into That ideal is seldom put into running the group since the Fendt brothers stepped aside four years ago, moves in June to do much the same thing at Kaessbohrer, the Ulm-based coach-builder At Adidas, the world's lead-

ing sports shoe group, the sons and daughters of the founder, the First World War, Johannes
Vielmetter, owner of Knorr
Bremse, Europe's biggest manufacturer of locomotive braking

Dessler remain chief executive, but only after proving him-But professional management

Max Grundig, founder of the Grundig consumer electronics group, simply refused to be-lieve his products could be beaten by cheap, Japanese imports. Senior executives who tried to tell him that he was in trouble often did not survive. Neiher did Mr Grundig, whose empire is now under new management.

wild .

A series of German family business case studies will appear shortly on the management page.

Samuel Britten will resume his Economic Viewpoint shortly,

**Men and Matters** 

#### Hiram keeps its spirits up

When the fierce takenver battle for Canada's Hiram Walker Resources erupted, the company's directors and managers earned wide respect for apparently putting shareholders' interests ahead of their own.

As I noted, they appeared ready even to dismember the company, first agreeing to sell the liquor division to Britain's Allied Lyons, and then ponder-ing the sale of Hiram's energy arm. Home Oil. But it turns out that the

Hiram men have not entirely neglected their own interests. Eight senior managers will each receive three years' salary and other benefits if they resign or are fired within two years of a takeover or fragmentation of the company.

If they are still working for Hiram after two years, the com-pany has agreed to pay them a "bonus" of one year's salary. The lucky eight were paid an average of CS275,000 each last year. Eyebrows are being raised at

the amounts being forked out by Hiram to fight off an unwelcome bid from the Toronto real estate and resources company.



"Terrible weather—I blame the Government for giving in to pressure from across the Atlantic" Olympia & York. The company has paid its two bankers. Morgan Guaranty Trust and Dominion Securities Pitfield, an "engagement fee" of C\$2.5m each. Their final combined bill had remained friendly with his former. For collections and may be as high as CS22.5m.

Hiram has agreed, in addition, to pay C\$10m to Olympia's rival in the bidding battle, Trans-Canada PipeLines, for its services as a "white knight."

TransCanada, it seems, cannot lose the fight for Hiram even if

#### Back to Ford

The UK motor industry is strewn with former Ford executives, occupying senior positions at rival companies. Few ever make their way back into the fold—but Alan Fox is now doing so Well almost. o. Well. almost.

Fox was a founder member of Ford's truck division when it was set up in 1972. His major responsibility was to establish Ford's truck sales in France. Ford's truck sales in France, Germany and Italy. He made enough of an impression to be headhunted by Fiat. quitting Ford after 22 years in 1979, to become managing director of Fiat's commercial vehicle subsidiary in Britain, Iveco UK, which was in deep trouble at the time.

By taking a firm grip on costs by taking a nrm grip on costs and raising sales—lveco today has nearly 6 per cent of the UK heavy truck market—Fox pulled his company back into profit. Now it is being merged with Ford's UK heavy truck operations and Fox gets the top sales and marketing job a disparent and marketing job as director of commercial operations for the ioint company.

former Ford colleagues and "during the past five and a half years, I haven't said anything to make them cross."

This was confirmed by Peter Nevitt, Ford of Britain's director of truck operations who becomes director of industrial (production) operations in the new venture.
"There is not one Ford manager
who will be sorry to be back
working with Alan again," he

#### **Boss wanted**

No former top Ford man has had a higher profile in the British industrial scene in recent years than Sir Terence

Beckett, aged 62, director general of the Confederation of British Industry. During his five years as Mr Industry, Beckett has turned a somewhat sleepy employers' body into an expert lobbying organisation, which the government and the trades unions nave learned to ignore at their

peril.

Beckett himself, however, is a shy man. Which is why it was left to his president, Sir James Cleminson, to disclose at the monthly CBI council yesterday that Beckett intende to retire monthly CBI council yesterday that Beckett intends to retire at the end of the year.

The hunt has already begun for a new CBI leader to take British industry into the 1990s. The job is to be advertised, and headhunters will be called in to trawl the industrial and academic worlds (Derhans the

New Zealand raised. Fox is a larger-than-life character who will not take "no" for an answer

New Zealand raised. Fox is a academic worlds (perhaps the civil service as well?).

But there is no favourite son

to take Beckett's chair. His three deputy director generals, Ken Edwards (policy), John Owens (membership and administration), and Keith McDowall (public affairs), are not likely to be short-listed by the members. Traditionally the job (salary negotiable but worth at least £60,000) has gone to a leading industrial figure. Beckett made his career as a dedicated Ford man who beloed

build Ford of Europe, and whose name will always be associated in motor industry circles with the development of the successful Ford Cortina. At one period he was in charge of Ford of Europe sales. He was managing director and later chairman of Ford in Britain. When Sir John Methven died suddenly in 1980, Beckett was drafted into the CBI to take the director general's chair for five years.

By the time he leaves he will

have completed more than six years. He says he wants to take things a little easier.

#### Their ears only

Official reports suggest that the Chancellor. Nigel Lawson. had nothing new to say in his long-heralded speech to the Lombard Association last night; but can

Association last night; but can we be sure?

If was, after all, an odd forum for a policy exposition, since under its own rules (Article 11, for the pernickety), its proceedings are strictly off the record; and speakers speak only for themselves and not for the organisations they repre-

sent.
So perhaps the insiders heard the Chancellor's private thoughts on monetarism, the EMS and all that: but even if they did, they will not, as loyal Lombard men, be telling.

#### Tempting fate

A sense of the inevitable about the winding-up notice in the Cambridge Evening News this week. The unfortunate company's name? Nemesis Computing Store.

*Observer* 

•

First Nat. Fin. Corp... 121% # Call day

First Nat. Sec. Ltd. ... 121% Robert Fleming & Co. 11 % ¶ Morigage Robert Fraser & Pirs. 12 % & Demand dep. 7.02%. Mortgage 

Ford/Iveco

## Not yet the last exit

FORD'S DECISION to cease making heavy trucks in Europe and to hand over its British factory to a new company in which it will have only a minority interest is the most compelling scene yet in the unfolding drama of Europe's truck industry.

Bruised by the unprecedented severity of the competition, Ford has lost more than £100m on heavy truck production in the past five years. It says that, maided, it has no hope of covering the huge investment bill it faces to replace its current range of Cargo trucks in six to 10 years' time.

But Ford still needs a full range of commercial vehicles and the deal with Iveco, the Fiat-owned group which is already Western Europe's second-largest heavy commercial vehicle producer, will give it, more cheaply, access to a future product programme. For Iveco the attraction is a long-sought power base in the UK.

With Ford's heavy truck husiness Iveco will be almost as strong in Europe as Daimler-Benz of West Germany, which until now has dominated the market for trucks of over 6 tonnes gross weight. Iveco will be twice as big as Repault's truck subsidiary, which is now third in the European league.

Iveco already has factories in West Germany, France and Italy, to put alongside its new production presence in Britain

Europe's second-largest
market. In the long term, if all goes well. Iveco will replace Ford's Cargo range and its own current medium trucks with a new model range and thus gain worthwhile economies of scale.

The deal will give Iveco access to Ford's strong truck dealer organisation in Britain which will sell the complete range of Iveco trucks along-Ford products. The new joint company will have heavy truck market leadership in the

in four factors; lack or known in domestic demand, the col- had slumped to only in domestic demand, the col- had slumped to only in lapse of traditional export mar- At the same time export probate the advance of Japanese duction in Europe decreased 238,000 in 1980 trucks in the Far East and the tendency for developing coun-tries to want local assembly of high-value trucks. The result has been huge excess capacity in Europe.

The Iveco-Ford deal follows hard on the heels of the attempts, so far unsuccessful.
by General Motors, which owns
Bedford, to buy Leyland Trucks
from state-owned BL in Britain. and merge the two. The consorr mation of the Iveco-Ford deal mation of the lveco-rord deal yesterday will put even more pressure on GM and the UK Government to get back to the negotiating table.

Full-blooded mergers are sought only in the last resort, since most European truck producert with their independence.

ducers value their independence economies of scale they need

The reshaping of the Euro-pean truck business has its roots gross weight were registered in in four factors; lack of growth Western Europe. By 1982 sales

"Competition in Europe will

return to reasonable levels only when the industry cuts capacity to bring it into line with expected demand. And this will take some time, says. Mr. Hans-Jurgen Hinrichs, sales director for Daimler-Benz. Ford estimates that in 1983

and again in 1984 the European heavy truck producers between them sustained losses of between £350m and £400m. The British fared worst. Leyland Vehicles, which includes BL's bus business as well as trucks,

## Kenneth Gooding reports

through co-operative ventures. by buying more from entside suppliers and via closer cooperation with some of the major component manufac-

Daf of Holland, for example, has linked with Enasa in Spain for a joint medium-truck cab project and has arranged to distribute some Leyland light trucks through its continental dealers to give its network more strength while helping the British company get a much-needed increase in output.

There is general agreement, however, that the restructuring has not yet gone far enough. As the world's major exporter of heavy trucks, Europe bore the brunt of the collapse in world demand in the 1980s. In the peak year of 1879 around

11.9

13.9

13:1

-7.I

6.5

66

56

55 %

had a net lose of £143.6m in 1933 and another of £80m the following year. Bedford reported a £62m net loss for 1984.

Iveco's own financial performance has been chequered. Last year it made a net profit of about Fl 120m (£30m), tollowing a loss of Fl 395m in 1984 (the organisation is registered in Holland). It made a net profit in 1982 of Fl 118.4m,

Magirus in West Germany, round."

Magirus was previously owned gross weight were registered in by the Deutz engine group Western Europe. By 1982 sales which for five years owned had slumped to only 282,000. 20 per cent of Iveco before forcing Fiat to buy the stake.

But most of the European producers decided in the late 1870; to increase capacity and in the resulting new facilities came on stream in the depths of the recession.

The recession then prevented Iveco taking advantage of these early efforts when it attempted for three years to boost its market share. When it became apparent this strategy was doomed to failure, the current chief executive, Mr Glorgio Garuzzo, was installed in May 1884 to change the direction. He has been cutting costs in all areas to bring down the level of output at which Iveco can

break even.
Ford has been one of the major losers in the European heavy truck battle. Its produc-tion has slumped from 38,800 in

1980 to last year's 17,000.

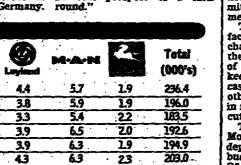
Two years ago it stopped making the heavyweight Transcontinental trucks, a decision which involved the closure of its factory in Amsterdam. In Britain it stopped produc-ing the A-series vehicles, simed

mainly at the high-volume, fig. to the UK market because even 5,000 sales a year still did not make the truck viable
The Iveco deal gives the

1,700 employees at Ford's Langley, Berkshire, factory no long-term guarantees. Cargo production will continue as long

net profit in 1982 of Fl 116.4m, down from Fl 156.2m.

For Fiat restructuring in trucks must seem never-ending. It played a major role in the process by setting up Iveco 11 years ago, to bring together Fiat's existing heavy commercial vehicle interests, including CM and Lancia in Italy and Unic in France, and those of Magirus in West Germany.



49 9.15 5-20 00



Pressure in the prisons

## A showdown behind bars

pute which will bring into sharp working, which means cutting focus the unsavoury reality of activities such as prisoners' life in Britain's generally over-crowded, often insanitary, jails.

Leaders of the Prison Officers' At Grendon Prison, near life in Britain's generally over-crowded, often insanitary, jails.

Leaders of the Prison Officers' Association have already claimed a majority vote for industrial action from a ballot conducted last week. Today, they will disclose just how large that majority is and how, and when, they intend to act on it in what looks increasingly like a re-run of the 1980-81 dispute, which left 5,000 prisoners languishing in police cells and led to a limited use of troops.

On the surface, the dispute is over how staffing levels should be fixed in penal establishments now that each has to live with-in its own means under the Government's Financial Management Initiative, the discip-line introduced in the Civil Service since 1982 to achieve greater management efficiency through decentralised budgetary

Below this, however, lie two more fundamental issues; the power of the POA itself, a union which exercises exceptional influence in the running of its members' workplaces; and the quality and purpose of prison life under a government committed to strict custodial punish-ment for serious offenders.

control.

The FMI has not previously faced such an outright union challenge. From this month, the governing (senior) governor of each penal institution must keep expenditure within a set cash limit which, the POA and other prison service unions say, in many cases means substantial

The crunch comes on nav. More than 70 per cent of the breaks, it simply refused to department's £639m 1986-87 accept new admissions to penal budget will go on staff costs. establishments and brought the Of this, £86m - 13.5 per cent service to breaking point at no

AN ARGUMENT over one word of all spending — is designated real cost to its members.

— "negotiation" — will today for overtime pay. Not surpris- Precisely because of this muscle plunge the prison service in ingly, governors are seeking and because of the restrictive England and Wales into a dis- savings in officers' overtime practices at issue, ministers are

At Grenon Prison, near Aylesbury, the overtime budget is said to be earmarked for a cut of £124,000 (17.9 per cent) which will reduce the prison's ploneering psychiatric therapy sessions for serious offenders from five duty 2 week to two from five days a week to two.

It is claimed by the prison department and others that the POA makes this problem worse by insisting on a level of staff-

likely to be all above the belt: provide 16 new prisons. Whitehall has already been Such expansion will, however, suggesting the dispute has barely keep pace with the much to do with a hard-line increasing numbers being sent to penal institutions and remain-

Mr John Bartell, the president-elect, is a notoriously tough negotiator. As one official of another prison service union says: "He is immovable on almost any issue; he won't give an inch on anything." But

#### David Brindle reports

sary for safety and security purposes in out-of-cell activi-

The Home Office says overtime typically accounts for 30 per cent of officers' earnings, which average £15,000 a year and in some cases exceed the pay of a top-grade £23,000-ayear prison governor. Thus the argument about how staffing levels should be fixed at local level under FMI

is presented by the prison department, which wants eventually to buy out restric-tive practices and move offices on to a salary structure, as a trial of strength over the union's ability to continue determining overtime oppor-tunities. The union says the issue is its right to negotiate.

The POA is well placed to force a showdown. In the last dispute, over payment for meal breaks, it simply refused to accept new admissions to penal

there is little firm evidence of any wider shift within the POA and Mr Bartell himself is not on the union's main negotiating

The POA's relations with other unions in the service are best described as sensitive. Although TUC-affiliated, it is fiercely independent and has after been the part of the services. often been the butt of criticism from fellow trade unionists over its rigid approach on staffing and the effect this has had on prison life.

90 per cent of prison governors, tary, said the experience proved has written to the Prime Ministry was possible to sustain a ter expressing grave concern at lower prison population—then overcrowding and budgetary 39,600—at a level which should constraint. Medical and psychobe used as a benchmark for the logy staff at Grendon have told the prison department they dissociate themselves from their therapy programme because it the theorem that the control and contain normal limit.

All this may seem odd at a time when prison department expenditure is scheduled to practices at issue, ministers are expenditure is scheduled to ready to support whatever it rise in cash terms by 8 per cent takes to deliver the union a a year for the next three years bloody nose.

The punching is, however, underted building programme to

This may, in part, be true, ing there for longer periods. Ir John Bartell, the presidentpublished last week, show that the number of adult males sentenced to custodial terms of six to 18 months rose by 13 per cent in the 12 months to September 1985.

With an estimated 26 per cent of prisoners already officially "unoccupied" and officially "unoccupied" and left in their cells each day, the National Association for the Care and Resettlement of Offenders (Nacro) is not of Offenders (Nacro) is not alone in questioning the value of an expensive building programme at a time when FMI may curtail prison activities to the extent that jails become little more than human warehouses.

If the POA does go ahead with industrial action, ministers will be under some pressure to respond robustly.

Pressure groups like Nacro, meanwhile, will be looking for the Government to repeat the special measures taken in 1980-Prison life.

Nonetheless, the POA can be assured of backing

The Society of Civil and Public Servants, representing about

Whitelaw, the then Home Secre-

than to control and contain normal limit.

#### Value added and profit sharing

24.7

23,8

22.0

25.3

23.9

25.3

1981

1982

1984

18.2

. 18.1

150 ·

From Mr J. Morrell Sir,—I am concerned that the proposals to encourage profit sharing, to be outlined in a green paper, are siming at the wrong target.

All employees. managers, are paid to create added value. This applies to service trades as well as to the public sector. If an incentive is needed, it is to raise value added and value added per head (i.e., productivity) faster.

The surplus, after the employees have received their share of value added is the gross profit which has to cover depreciation, ploughback into new capacity (to raise productivity) as well as business taxes, interest and dividends.

If there is to be legislation providing tax incentives cover-ing some form of sharing, this should be related to value 'added and designed to ensure that pay reflects falls as well as increases in value added per head. It is in the interests of owners, managers and em-ployees to optimise value added and they have a common interest in increasing investment by ploughback out of value added, continually mak-

of value added, continually making the enterprise more capital intensive and effective.

Incentives related to value added can be applied to all activities, regardless as to whether they are companies, partnerships or public services.

James Morrell.

Letterpreter Part FCA 1 Paternoster Row, EC4

#### Wider share ownership

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From Mr B. Cottee Sir,—In its new policy statement on wider share ownership the TUC is reported (April 10) as claiming that "small share-holders rapidly get rid of their shares." This is certainly not the experience of National Freight Consortium, where remarkably few of the original 1982 employee investors have disposed of their shares, and the total number of shareholders has grown from the original 10,300 to 18,540 today.

This includes a net increase of 840 at the recent quarterly "dealing day" in our internal share market. Over 60 per cent of the work force now owns shares (all of them purchased at the going

price — no free issues), compared with 38 per cent at the time of the buy-out. The shares are well spread throughout NFC, and board members in total hold only around 4 per cent of the issued

As stated in February, MF on road 4x4 market — although I reported on the problems of our E. P. Thompson, schemes to widen share owner would dispute whether Land society and have put forward Wick Episcopi, «share capital. schemes to widen share owner- would unspite whether shall society and nave put forward wick spiscopi, ship still further, and to intro- Rover's payload levels are as a part of the cause a break- Upper Wick, Worcester.

## Letters to the Editor

VOLVO SCANIA

5.4

6.9

8.3

8.9

duce profit-sharing schemes higher than most of the covering all permanent niovees.

Brian Cottee. (Head of Communication Services). National Freight Consortium, 45 St Peters Street, Bedford.

#### Share option schemes

From the Executive Secretary, Wider Share Ownership Council Sir.—I was very interested in the letter from Mr James Beattle (April 11) in which he refers to the imbalance which is arising following the introduction of the executive share option schemes in 1984. This Council shares his concern. We welcomed the reintroduc-tion in 1984 of "approved" executive share option schemes

but our approval was subject to the important provise that such schemes would advance the objective of genuine wider share ownership and would not have, as in the early 1970s, the effect of conferring special benefits on senior management in which the wider workforce did not participate.

In Budget recommendations this year we suggested that the availability of tax reliefs on options granted under an approved executive share option scheme should be conditional upon the company concerned operating in the same year of assessment a broadly-based wheme. If this is not done, scheme. If this is not done, then the benefit, in terms both

of wider share ownership and of industrial harmony, which is being slowly but surely pro-duced by the more broadly-based schemes, will be put in jeopardy.
Unfortunately, the Chancellor has not heeded our com-

ment. We shall keep reminding him. Ivo Nicholls. 126, Hayes Lane,

#### Kenley, Surrey. Land and Range

Rovers From Mr P. Oppenherm MP. Sir,-Mr Moulton of Schroder Ventures (April 14) seems implicitly to admit Land Rover's problem. He confirms that the company competes at the top end of the luxury 'on road' 4x4 market and at the very As stated in February, NFC durable end of the genuine, of

with their families and so Sunday trading must have a detrimental effect on these families and hence on our

competition.
These areas are unfortunately

very small niches in the overall

market and both have been and

are being eaten into by Japanese vehicles. In particular,

four-wheel drive versions of

Toyota Landcruiser are taking

sales from the bottom end of the Range Rover market. This

would be more delighted than I

if the proposed management buy out, backed by Schroder, is a success; my disappointment

will then be limited to the fact

that the proposed buy out may

have been partly responsible for the GM bid failing. Although

Leyland Trucks has made great progress, and though the DAF deal mentioned by Mr Moulton is indicative of the progress that British industry as a whole has made it may not also be

made, it may not, alas, be

by you.

There are anomalies in the

speed restrictions imposed on our roads but this is not a good

reason to abolish all speed

restrictions — the logic of your

reasoning on Sunday trading must however lead you to argue

On Page 8 of the same edition the chairman of Boots was

You have from time to time

House of Commons SW1.

enough. Phillip Oppenheim.

Working on

From Mr T. James

Sunday

for abolition.

required.

Less than 2 per cent of the population claim to be seriously inconvenienced by existing laws many more would have been inconvenienced by complete abolition. Surely the true reason for

down in family life. Sixty per

cent of shop workers are reported to eat Sunday lunch

change is not to serve the pub-lic but, as inferred by the chairman of Woolworth, to increase the profits of multiple chains. If the change was to be at Toyota and Nissan pick-ups are proving very popular among farmers who in the past would the cost of family life and the major advantage an increase in corporate profits it was an abuse have bought Land Rovers, while up market versions of vehicles like the Mitsubishi Shogun and of the English language to describe the Shops Bill as a libertarian measure — libertine would be a more correct description. r. E. James. the Range Rover market. This explains why Land Rover's sales, despite ups and downs, have been broadly static since the late 1970s while those of their main competitors have expanded dramatically!

Having said that, no-one

Dormer Cottage, Old Broyle Road, Chichester, Sussex.

#### Equal opportunity for investors

From Mr N. Bowie Sir,-The markets in shares issued under a public offer of sale opens at 9.30 am on the day after letters of acceptance are posted. In two recent cases have not received the letter or notice of non-acceptance until two days later, I am not alone in this experience.

There is a further aggrava-tion with the increasing habit of posting on a Thursday so that or posting on a limitsday so that cheques for money returned may not be bankable until the Monday. This means the issuing house has the use of the money for a longer period at the ex-

To ensure that all investors have an equal opportunity to deal there is now a strong case Sir,-Your editorial of April 14 must be a candidate for the for the Stock Exchange to require first dealings to take place least sensible item published two days after posting.

#### N. W. Bowie. 1 Uplands Close, SW14. Searching for

a voice From Mr E. Thompson

Sir,—Ocops! John Lloyd the chairman of Boots was quoted as saying that it "might feel compelled to open on Sundays." If a shop is compelled to open on a Sunday then the employees will be obliged to work — the protections in the work — the protections in the large weak and only the state of the contrary.

Sir.—Coops! John Lloyd writes ("The Left searches for a voice," April 12): "The classic job of a paper of the revolutionary Left was engraved in granite by Lenin: it was engraved in rather. Bill were very weak and only it was engraved in rather applied to existing employees, florid art work on the Mani-and there was no protection for festo of the Socialist League (1885), and came from the pen others who would have been obliged to work in order to pro- of William Morris, I hope the vide the ancillary services projectors of new Left newspapers bring some of the tradition of Commonweal back.



## THE SAVOY HOTEL PLC

are recommending a dividend of months of the year. 35 per cent, against 25 per cent, an increase of 40 per cent.

Pre-tax profits of The Savoy Hotel Last year over 15 million overseas The increased profits were PLC rose by 32 per cent to £10,705,000 visitors came to Britain. The company achieved in spite of a heavy expendilast year, from £8,112,000 in 1984. benefited strongly from London's ture programme. During the year Turnover increased by 16 per cent to popularity both as a tourist destination £4,900,000 was spent on repairs, and as a business centre. The results maintenance and renewals, and a The directors report that in view of were also helped by favourable further £9,000,000 on major capital this most satisfactory outcome they exchange rates, particularly in the early projects. This programme, which is continuing in 1986, is reflected in a charge for depreciation of £1,598,000 

FINANCIAL HIGHLIGHTS	Year ended 31st December 1985 · £'000	Year ended 31st December 1984 £'000
Total Receipts	59,965	51,765
Profit before taxation	10,705	8,112
Taxation	3,532	2,218
Profit after taxation and minority interest	7,135	5,884
Earnings Per Share A Ordinary Shares of 10p each B Ordinary Shares of 5p each	25.17p 12.59p	20.76p 10.38p
Dividend Per Share A Ordinary Shares of 10p each B Ordinary Shares of 5p each	<b>3.50</b> p 1.75p	2.50p 1.25p

THE SAVOY CLARIDGE'S, THE BERKELEY and THE CONNAUGHT HOTELS in London and HOTEL LANCASTER in Paris



## FINANCIAL TIMES

Thursday April 17 1986



## How US broke Libyan codes

BY PETER MARSH IN LONDON

THE US Government should release more details of the radio messages it has intercepted that provide evidence of links between the Libyan regime and terrorist activities in Europe, according to Professor Ray Cline, a former deputy di-rector of the US Central Intelligence Agency (CIA).

Prof Cline, of the Centre for

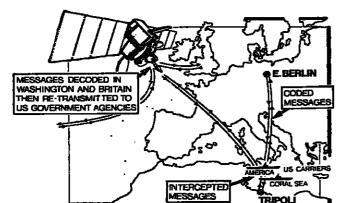
Strategic and International Studies at Georgetown University in Washington, said yesterday that "it would be helpful" if President Ronald Reagan authorised disclo-sure of some of the language used by Libyan officials and terrorists in messages said to have been passed between Tripoli and European

1973 was director of intelligence at ris, ITT, Litton and the Collins divithe State Department, was speak-sion of Rockwell in the US. ing after US officials had already crecy over such interception of ra- stream of seemingly meaningless

Security Agency, based in Washing-ton, which works closely with Brit-nals. ain's Government Communications Headquarters (GCHQ)

An essential part of the work of both these orgainsations is the breaking of codes used routinely by governments to encrypt their radio

For enciphering, Libya uses sophisticated equipment made by Crypto of Switzerland, said by intelligence sources yesterday to be one of the world's leading companies in



capitals.

Prof Cline, who was at the CIA
from 1963 to 1966 and from 1969 to

cal and Plessey of Britain, and Har-

Such equipment translates ordilifted some of the normal veils of se- nary written sentences into a dio messages.

The body primarily responsible only by a decoding mechanism at the the point of reception. The sym-

> US government officials have cited radio messages between Tripoli and the nation's embassy in East Berlin as providing evidence of Libya's involvement in terrorist activities. A bomb explosion in a West Berlin discotheque, on April 5, assumed to be the work of Libyan terrorists, killed two people and injured about 200.

> Despite the high-quality equipment available to Tripoli, it appears that breaking the Libyan code was

transmitting the messages – still in their meaningless, garbled state – by communications satellite, either to the NSA in Washington or GCHQ in Britain. The satellites would probably be members of the Defence Satellite Commun System (DSCS) series, of which more than a dozen have been The US and UK security agencies work in close conjunction under a series of agreements not made pub-lic. Some NSA staff are housed in

the GCHQ's main building in At either the US or UK centres, computers would go to work "unscrambling" the messages using complex code-breaking programs. The first such programs were those passing on details of its own top raused by British intelligence experts during the Second World War to

Once picked up by aerials on the US ships, the Libyan signals have to be decoded. This is done by

break the Enigma code in which German messages were encrypted. According to intelligence experts, with modern techniques it probably takes no more than a few seconds for the computers to translate the coded Libyan messages to compre-hensible sentences. The messages, in their uncoded state, would then be flashed back by satellite to the US fleet or to other US government

Signals picked up in this way by ships would be supplemented by radio transmissions intercepted by electronic signal-gathering satel-lites, called "ferrets", of which the US has several in orbit at any one

## Ford merge heavy truck units in Britain

Iveco and

FORD and Iveco, the Fiat-owned group, are to merge their heavy commercial vehicle operations in Britain in a deal which will see the US group giving up heavy truck production in Europe.

A new company in which Ford will have only a minority interest will buy the group's only truck factory - at Langley, west of London, where the Ford Cargo range is

The deal gives Iveco, already the second largest West European truck manufacturer with production facilities in Italy, West Germany and France, immediate access to Ford's strong dealer network in Britain. The new joint company will have a turnover of nearly £300m (\$450m) and lead the UK heavy truck mar ket with a share of 25 per cent.

The deal will have a major impact on Leyland Trucks, the stateowned BL subsidiary which this year seemed in sight of regaining the heavy truck market leadership it lost to Ford in 1977.

Ford's admission that it can no onger go it alone in the heavy truck business will also increase the pressure for the UK Government to reopen talks with General Motors of the US - which broke up acrimoniously last month - about a merger of Leyland with GM's ailing Bedford subsidiary in Britain.

The Iveco-Ford merger is restricted to Britain where there will be one unified dealer network selling both companies' trucks. The new company will supply the Cargo to Ford dealers in continental European markets but the vehicle will not go to the Iveco network, which will remain entirely separate.

The arrangement also excludes the Ford Transit van, although some heavyweight versions will be sold through the joint venture network in Britain.

each own 48 per cent of the new company - Iveco Ford Truck - with First Boston UK, the London-based merchant bank.

Iveco Ford Truck will have a paid-up capital of £40m, most of which will be spent to acquire the Langley factory. Either partner can give two years notice that it wants to sell out from 1992 onwards or when Cargo production ends whichever comes first.

Mr Giorgio Garuzzo, managing director of Iveco, would give no long-term guarantees about em-ployment at Langley, which will be merged into Iveco's manufacturing operations. However, if the new company is reasonably successful Iveco would continue to need the capacity at Langley when Cargo output ended, he said.

British Ford plants at present supplying Langley with compo-nents and assemblies for the Cargo, chiefly at Dagenham, Swansea and Leamington, will continue these op-erations, which represent a small part of their work.

Ford sustained losses of more than £100m on heavy truck produc-tion between 1980 and 1984, and Mr Sam Toy, chairman of Ford of Britain, admitted yesterday: "Although we have made a supreme effort to become profitable in trucks, the extemely competitive conditions in the market have prevented us from generating sufficient funds from our truck operations to provide for the massive investment necessary for future products."

Iveco dwarfs Ford in output of commercial vehicles of over 3.5 tonnes gross weight and last year produced 94,750 against the 17,000 made at Langley. Even so, Ford is tinental Europe from the UK about a third of Langley's output and also exports to Turkey and Australia. Langley is supplying panels for the "world" truck Ford is build-

#### Alarm bells ring for Extel The chance to expand his empire make a rapid profit, and bloody the cose of Kleinwort Benson into the bargain, is not something that Mr

Robert Maxwell could be expected to deny himself. However chimerical the Demerger Corporation's of-fer for Extel Group appeared in its initial form, it acquired instant plausibility when revised to include cash alternative at 400n a share. Now that Mr Maxwell has de-

cided to accept the Demerger shares - accompanied in loose formation by Mr David Stevens - the offer is looking a hot enough shortterm proposition to test the most responsible institutional backer of established managements.

Having treated Demerger's cashess approach with justifiable disdain, then lost its defending merchant bank and failed to come up with a profit forecast within the first 39 days of the offer, Extel seems to have frittered away what should have been an all-but impregnable position. Though its business plans for the

demerged components of Extel rest on a number of unconvincing assumptions, Demerger has per-suaded at least Mr Maxwell and Mr Stevens that the parts are worth more than the whole.

Since Mr Stevens was pipped by Extel in an auction for Benn only a couple of years ago and Mr Maxwell is not uninterested in the Burrup printing business, these companies might well be facing takeover on day one of their demerged exis-

There remains the dispiriting thought that other parts of the group might fall to a discount and their future become endangered for lack of the present group umbrella. The risk that this presents to a pu-tative shareholder in the five new companies might be more than compensated, however, by a second

And for the two major shareholdwho would have at least 20 per Ford of Britain and Iveco will cent between them, the rewards could prove still greater, not count-ing the pleasure of settling past

helping of bid-premium for the

printing and publishing interests.

#### Finance Bill

Finance Bill of any clause dealing with the ADR conversion duty supposedly taken out for an over-Chancellor of the Exchequer's in- businesses made good progress fast.

ARCHITECTURE • FASHION • GRAPH

Please send to Christopher Cook, Conra

across the board and the group gen-erated net cash of £50m after Extel Group

THE LEX COLUMN

then the proposal should certainly

be redrawn to that effect. The be-

day in March shows clearly that the

5 per cent levy is enough to remove

the possibility of equity arbitrage

there is any advantage in this, be-

tuous UK institutions to complain

stamp duty at home, tax-free deal-

of some equalisation tax can be jus-

worked badly enough in practice to cast doubt on the principle.

Hawker Siddelev

spending £45m on acquisitions and the same again on fixed capital. Hawker has more scope than ever to make a major acquisition and, to judge from yesterday's persistent rumour that the company was poised to bid for Simon Engineering, the market is becoming a little impatient with Hawker's native caution But that caution has not served shareholders too badly over the years and the company should make £180m or more this year, even allowing for translation losses on the dollar, to put the shares on a multiple of just over 10. If the market keeps falling, Hawker will start tention was to stop the bolt-holes to look a very solid defensive for UK institutions, rather than to penalise or exclude US investors,

#### haviour of the markets since budget Financial advisers

Never hire one merchant bank when three will do seems now to be the guiding principle in takeover traffic between London and New York, and thus gradually drain the New York pool of ADR liquidity. If battles. Argyll is already being advised by a trio of banks, two in London and one in Edinburgh, and yesterday Woolworth announced that yond protection of the London stock market, it is hard to see. Of course, it would be open to virit had added Goldman Sachs to a team which already boasted a pair of London accepting houses. Hanson Trust, which is almost a merthat the previous state of affairs chant bank in its own right, has the ing offshore - discriminated in favour of foreign, or unscrupulous, inare also getting by with a pair of vestors. So perhaps the imposition merchant banks apiece. In threetified on grounds of fairness. But cornered fights, there are scarcely past devices of this kind have enough accepting houses to go

Very few corporate finance de-

partments are equipped to fight billion-pound takeovers on their own, so it is not entirely surprising to see a list of names on the inside Hawker Siddeley may not yet be cover of takeover documents. The the darling of the stock market but provision of capital, institutional its efforts to woo the investment contact north and south of the bormunity are not going unre- der, documentation and strategic warded. Yesterday it presented an planning are only a few of the ser-excellent set of preliminary results, vices required. Arguing with the explained how the numbers were UK Take-over Panel, for example, arrived at and saw its share price rise 34p to 577p. On a day which a string of advisers may not be alproduced results from what seemed ways be a recipe for success - Ar-thur Bell was a pioneer in this relike half the UK engineering sector, Hawker stood out as the quality spect - but it is a sure way to give the big US investment banks a foo-The 12 per cent rise in pre-tax thold in the London market. Goldprofits to £160m would have looked man Sachs has advised on almost a better still but for a £10m drop in dozen UK takeovers, including The absence from yesterday's UK the contribution from Hawker's On-several - Debenhams and Woolan associate, which found itself un- worth among them - with no obvider new ownership every few ous US dimension. The US houses months, and a £5m adverse movemay not yet have the expertise of haul of the technical details - is a ment on currencies, principally the their British rivals in the UK take-step towards common sense. If the Australian dollar. The electrical over market, but they are learning

## Oerlikon, Litton win Canadian contract

By Bernard Simon in Toronto

THE CANADIAN Government has chosen a consortium headed by Oerlikon-Bührle of Switzerland and Litton Systems Canada to supply a low-level air defence system to protect Canada's land and air forces in

The fiercely contested contract worth more than C\$600m (U\$\$430m), is the largest defence order placed by Canada for several years and is expected to open the door to similar business in other Nato countries, notably the US. The two unsuccessful bidders were Bofors Ordnance of Sweden and Contraves, the Swiss weapons group. Mr Harvie Andre, Associate Min-

ister of Defence, said yesterday that the Oerlikon-Litton bid was selected on the basis of "effectiveness cost and socio-economic benefits. A final contract would not be signed until further negotiations had been

The Oerlikon-Litton proposal is based on the new air defence antitank missile system (Adats), designed in partnership with Martin Marietta of the US. The system is designed for use against low-flying aircraft and helicopters, as well as

Members of the winning consortium include the Canadian subsidiary of the British group, Dowty, which will supply hydraulics for missile launcher turrets. Spar Aerospace of Toronto will provide forward-looking infra-red systems.
As part of its socio-economic

package, Oerlikon has agreed to set up a company in Canada to assem-ble Adats products for future worldwide sales. The new company, Oerlikon Aerospace, will build a plant at St Jean-sur-Richelieu in

Litton has also agreed to build a radar factory on Prince Edward Island, Canada's smallest province. John Wicks writes from Zurich: The choice of the Oerlikon-Bührle equipment is a long-awaited boost for the group. The high develop-ment costs for the Adats system have been a major reason for the company's poor financial showing

## Olivetti chief lays plans for major expansion into France

workers. According to one British

intelligence expert, it is unlikely

that the Soviet Union, itself highly

skilled in encoding, would have helped Col Muammer Gadaffi by

The pattern of events seems to

In recent weeks, US ships from

the 6th Fleet have been taking up

position off Libya, ostensibly for

practice manoeuvres but more real-

istically to gather radio signals

Navy ships routinely carry so-

phisticated computer equipment used to pick up signals intended for

them, to interfere with enemy

transmissions by techniques such as jamming and also to decipher en-

emy radio traffic. The aircraft carri-

ers America and Coral Sea, the

fleet's main battleships, can be as-sumed to carry the bulk of the 6th

flowing to and from Tripoli.

dio coding techniques.

have been as follows:

BY PAUL BETTS IN PARIS

MR CARLO De Benedetti, the clude the French Empain-Schneid- director of Ceres as well as vice chairman of Olivetti, yesterday out- er group, one of the country's larg-

He disclosed plans to make an acquisition in the French food sector this year to double the sales of Buitoni France, the French subsidiary of the Italian food group controlled by Mr De Benedetti He also confirmed his intentions

of building a major new European motor components group centred on his current efforts to gain control of Valeo, the leading French car components manufacturer. However, although Mr De Bene-

detti has already acquired just un-der 20 per cent of Valeo and has made a bid for an additional 16 per cent, the French car components group has been trying to resist the Italian bid. Indeed, Valeo management has

been seeking to put together a group of rival investors to act as "white knights" and make a counter offer for the large car components

lined ambitious acquisition and in- est private industrial conglomervestment plans in France, where he ates and former owner of the banksaid he hoped to build up a major rupt Creusot-Loire engineering presence modelled on his Italian in-dustrial and financial empire. company, the Luchaire arms con-cern and another industrial group

Mr De Benedetti, in Paris yester-day for the introduction of Buitoni France on the Paris unlisted securities market, said that he would place his Valeo shares in a holding company called Ceres, which would also be quoted on the Bourse and would be 40 per cent owned by the Italian entrepreneur's CIR holding company. He said major French institu-

tions were partners in Ceres, including Compagnie Financiere de Suez, Banque Nationale de Paris, the UAP insurance group and Worms. Mr De Benedetti has also chosen Mr Alain Minc, the former St Gobain finance director and a well known figure on the Paris financial scene, to lead his French operations.

Mr Minc is leaving St Gobain, These investors are said to in-

president of CIR International, the international arm of Mr de Benedetti's CIR industrial and financial holding company in Italy.

Mr de Benedetti said yesterday he hoved to follow the same mode in France as CIR, which he has built up into the basis of his financial and industrial empire in Italy. "I hope to do in France what I've done in Italy," he said.

In the case of Buitoni, he said France was the priority of the group's foreign development. He plans to double Buitoni's current annual French sales of FFr 1.2bn (\$163m) by an acquisition this year.

The Buitoni French subsidiary will be introduced on the French unlisted securities market next week when 142,000 shares or the equivalent of 10 per cent of its capital will be offered to investors at a price of FFr 340 a share.

agricultural bank, has also acquired a 10 per cent stake in Buitoni

Credit Agricole, the large French where he was recently in charge of France, paying about 10 per cent a subsidiary of the state glass and more for its shares than the public pipes group, to become managing offer price.

## \$44m loss at BancOklahoma

BANCOKLAHOMA Corporation, the second biggest banking group in Oklahoma, has announced a 544m loss in its first quarter after almost doubling its loan loss re-serves as a cushion from the effects of the recent dramatic drop in oil prices on its customers.

The Tulsa-based group is the lat-

est in a string of big Oklahoma banks to announce first quarter losses and eliminate dividend payments. Banks of Mid-America, which controls Liberty National Bank and Trust of Oklahoma City and Tulsa's First National Bank, has reported a S5.9m first quarter homa Bancorporation, which is borrowing heavily from the Federal Reserve Bank of Kansas City, announced that it expected a net loss of between \$37m and \$45m in its

First Oklahoma has been losing

the group to undertake a management shakeup earlier this year. Oklahoma banks have been among the

Although Texas banks are much bigger and more visible, the most severe effects are being felt by smaller banks in states like Oklahoma, which are also suffering from

hardest hit by the collapse in oil

prices and the latest figures from

BancOklahoma explain why bank

regulators are showing such con-

Mr Leonhard Eaton, BancOklahoma's chief executive, says that his group had almost doubled its

the depression in the US farming

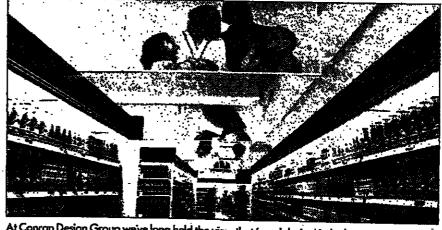
money for several years and is be- loan loss reserves to \$65.3m. or 3.31 ing closely watched by the US per cent. The increased reserves banking authorities, which forced were taken in response to continwere taken in response to contin-ued weakness in the Oklahoma economy and anticipation of no significant improvement in the foreseeable future, said Mr Eaton. bank is eliminating its

The losses have led to shareholcern about the impact on some ders equity dropping from \$166.5m banks in the "oil patch" which a year ago to \$118.8m at the end of covers Texas, Louisiana and March Non-performing loans at the end of March stood at \$136.4m or 6.8 per cent of total loans. Banks of Mid-America, which has

passed its dividend and has a nonperforming asset ratio of 6.5 per cent, is the biggest group in Oklaho-ma with assets of \$3.5bn. BancOklahoma, with assets of \$2.9bn, is the second biggest group and First Oklahoma Bancorporation is the

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## EEC hopes to defuse Libya conflict

Continued from Page 1

Mr Shultz said that steps to take

While the US would clearly like

decision to go ahead with the air to Col Muammer Gadaffi, the Libyan leader, in which he promised "to strictly stand by our obligation to strengthen Libyan defence capability."

Mr Vladimir Lomeiko, the official Soviet Foreign Ministry spokes-man, implied that Moscow was strengthening Libyan defences. He

Mr Lomeiko placed all the blame In Moscow, meanwhile, Mr Mi- on the US for the cancellation of the Eduard Shevardnadze, the Soviet

Foreign Minister, and Mr Shultz, which was scheduled to discuss the US-Soviet summit later this year. He said: "It was not the Soviet Union which put off the meeting, it was the US which rendered it im-

said yesterday that West European government were not as opposed to the US action as their public criticism might indicate. Mr Walters, who visited Western Europe shortly before the raid, added, however, that the US would have to work

military action against Libya were already well under way when the ministers met.

the European Community countries to take tougher action against Libya, such as the closing down of all also said that Mr Arthur Hartman, Libya's diplomatic missions (people's hypersum) and the US ambassador in Moscow, was ple's bureaux) and the adoption of economic sanctions, Mr Shultz was appreciative rather than critical of viet protest against the bombing of what had been done so far on this Libya.

khail Gorbachev, the Soviet leader, meeting next month between Mr yesterday sent a letter of solidarity

summoned to the Soviet Foreign

Mr Vernon Walters, the US ambassador to the United Nations

harder to persuade the Europeans that it was "in their natural interest" to work with the US against

## Downturn in advantage of expatriate work

BY MICHAEL DIXON

legend has it that English people working abroad take to pearing misty eyed into their gins and tonics and murmuring: Oh to be in England now that April's there . . .

As it happens, the mere UK\*
thought of them doing so is South Africa
enough to wring shricks of hollow laughter from anyone United Arab Emigates home country than to toil as expatriates overseas.

The signs are published this morning by the Inducon management consultancy in its latest survey of the salaries of expatriate staff.

Some extracts from the survey appear in the accompanying table. But they amount at best to an extremely sparse sample of the information in the full report which covers 48 countries outside Europe. Anyone wanting it, and who has £275 to spare, should contact Inbucon's Don McClune at 197 Knightsbridge, London SW7 1RN; telephone 01-584 6171.

latest survey was made around home sum—a sharp decline are explained by shifts in cur- as the ability to work on their the turn of the year, and shows from the position last year when reccy exchange rates. Mr own initiative in building up the changes since the consultation of \$22,646, in McClune claims that from the business in recruitment and

earnings in A. % carnings in place of work of UK place of work actually in England at present, apan 20,332 16 15,578 and being alternatively chilled New Zealand 15,635 104 17,430 to the bone and drenched to the skin. But there are nevertheless signs that in pay terms at least, singapore 30,045 126 126,585 106 17,430 106,7 507 1 ried person with two children on £20,00

tancy's previous survey in early South Africa represented 175 1985. — Des cent of the net cash earn-ings in Britain.

the starting point, given by the top line, is a United Kingdom citizen who is married with two children and has a gross expatriate job in South Africa salary of £20,000 a year Afrer become less attractive in pay tax and so on that comes down terms to a UK national than a to £14,440 currently companed to £14,450 12 months ago.

The next dozen times outline willing for expatriate posts in New York, the United Arab the same person in each of the The starting point, given by

The next dozen lines culline the typical take-home pay, of the same person in each of the Knightsbridge, London SW7
1RN; telephone 01-584 6171.

My table gives an idea of Africa, for example, he or she the take-home pay of a typical would now have net cash earn-British expatriate in a dozen ings equivalent to £14471 or overseas territories when the 100.2 per cent of the UK take-latest surgery was made around

By contrast, in the other five countries listed in my table the advantage of the overseas post has increased.

Australia and Sandi Arabia.

ALTERIAL .

coming into play. International companies which send staff to London, the newcomer will work abroad are growing more

or in response to complaints be developing top-level contacts about the expense of "high life." in Kuala Lumpur or wherever, he says. "The expatriate gravy train is starting to slow down."

"We aren't specifying fluency in Japanese as essential, but it would help." Mr Webb adds. "There'd be an advantage, too, in heavilge the ability to six or

#### **Export to Tokyo**

JAPAN'S appearance among the countries that have become less attractive to British staff is somewhat inconvenient for the Jonathan Wren Inter-national recruitment consult-ancy. Based in the City of London, it foresees an increas-ing demand for western finan-cial specialists to go and work in Televo. in Tokyo.

It therefore seeks a go-getting recruiter to develop its business in exporting people to Japan. "The current demand is mainly at senior level in the investment banking, stockbrok-ing and capital markets fields." says Wren's managing director Roy Webb. "So the sort of people we want to join us will have to have a thorough knowwhile most of the changes sectors from the inside as well

expatriate worker's viewpoint a other personnel consultancy as well as between banks, and more sinister influence is now work."

Although officially based in make a minimum of four 10-day tightfisted.

They are now much less likely also work closely with the contonnerely jack up salaries by an annual cost-of-living index, or in response to complaints be developing top-level contacts.

"There'd be an advantage, too, in having the ability to sit on the floor for long periods of time while eating raw fish and chrysanthemum leaves with characters."

No pay quoted. My estimate is a basic salary of up to £20,000 plus bonus on results expected to give a total of £30,000.

Inquiries to 170, Bishopsgate, London EC2M 4LX; tel 01-623 1266, telex 8954673.

#### **Brussels**

HEADHUNTER Dudley Edmunds of the Roger Parker Organisation seeks a successful treasury and foreign exchange manager to work in Brussels with an international bank he may not name. Consequently, like the recruiter mentioned later, he promises to abide by any applicant's request not to be identified to the employer at this stage,

preferably spanning Europe. Salary upwards of US\$70,000 with negotiable perks likely to and car.

Inquiries to 65 London Wall, London EC2M 5TU; tel 01-588

#### Scotland

LASTLY today to a brace of jobs in Scotland. They are being offered through consultant Graham Walker of Anthony Nevile International. and are respectively for the operations manager and the sales and marketing manager of a Scottish group about to manufacture a new generation of non-woven fabrics with which it expects to achieve big export sales, especially in Europe.

The operations manager will need demonstrable skill in starting up and running continuous-process manufacture, prefer-ably in the textiles field, and in project design.
The other post requires

success in managing the market-ing and sales of new products, the more akin to high-perform-ance non-woven fabrics the better.

Both jobs have director-designate status and salaries up to £22,000 plus bonus on results.
Other benefits include cars. Inquiries to Mr Walker at

Candidates should be experi- 69 Midton Road, Ayr, Scotland enced in similar work, dealing KA7 2TW; tel 0292 287969; on behalf of corporate clients telex 858902 Baron G.

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operations of this small bank. This role offers an ideal opportunity \_\_useful, it is not essential.

to gain further responsibility within an international Bank and could well suit someone seeding and on the same of the seeding and on the seeding and on the seeding and on the seeding and of the seeding and on the seeding

AlB. You should have experience within a bank (ör sinviler environment) and an understanding of electropic banking You should also possess the and be responsible for the back office. within a small and cheerful team and, whilst knowledge of Italian would be

In addition to an attractive salary and car, benefits include noncontributory pension, subsidised mortgage and private medical insurance. To apply, please send a full CV and

salary details, quoting reference MCS/6076 to Alannah Hunt Executive Selection Division **Price Waterhouse** Management Consultants Southwark Towers 32 London Bridge Street London SE1 9SY

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categories:i) Graduate ACAs in their mid to late twenties, ideally with substantial post-qualification investigations experience.

ii) Solicitors with post-admission experience of corporate finance related transactions. iii) Corporate Finance specialists with merchant

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To arrange an informal and confidential meeting at which the range of opportunities can be discussed in more detail, please contact Robert Digby, who can be reached outside office hours on 01-350 1181.

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The remuneration will be c.£25,000-£30,000 with excellent banking benefits. To apply, please telephone or write, in complete confidence, to Matthew Wright of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WCIV 6LH. Tel: 01-404 5701.

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#### Pension Fund **Investment Analyst** - Fixed Interest

The British Steel Corporation Pension Fund has a vacancy for a Fixed Interest Analyst in its small team based in Victoria.

The successful candidate would be responsible for the management of the Gilt Edged and Loan stock portfolios, valued at £500M, as well as providing an economic input to the

investment policy of the Fund.
Applicants should have a degree or professional qualification and have 3 years experience gained in a stockbroker or investment institution.

Please write, enclosing a CV summarising your career, and detailing your current reward package, to:-Investment Manager BSC Pension Fund

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On offer is responsibility for the accounting function including treasury matters, tax planning, systems development and all financial and management reporting. A "shirt-sleeves" approach is a prerequisite as are good interpersonal skills for departmental management and advising the Board on strategic and general policy decisions.

Aged 28-35, you should be an ambitious Graduate Qualified Accountant with 2/3 years experience in the Securities sector and the ability to contribute towards the substantial growth planned over the next few years.

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Please reply in confidence to John F. Hope.

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set up a Capital Markets department based in London. Under the auspices of the Treasury area, the appointee will have considerable autonomy to develop and manage the bank's Capital Markets facilities in the U.K., particularly in the sale of Scandinavian securities. The department will become an integral part of the Group's Capital Markets activities which include acting as a lead manager, co-manager and underwriter of new issues within the Scandinavian bond and equity markets.

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Excellent terms will be offered, reflecting the strategic importance of this rôle to the bank. The usual executive fringe benefits apply.

In the first instance please contact Leslie Squires Telephone 01-588-6644. All enquiries will be treated in the strictest confidence.

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The successful applicant should have a working knowledge of Guarantees/Bonding and preferably experience in all aspects of Letters of Credit within a banking environment Good keyboard skills would be advantageous, but are not essential. Candidates with a strong background in Documentary Letters of Credit will also be considered.

Successful applicants will be based in London for a short period of time before relocating to Bournemouth towards the end of the year.

Chase can offer a competitive salary together with generous banking benefits. Relocation assistance will be given where appropriate.

Please send written applications to: Ann How Senior Personnel Officer, Chase Manhattan Bank N.A., Woolgate House, Coleman

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Senior editorial experience in television, radio or print journalism is essential and some appreciation of television production techniques will be an advantage. The appointment will be on a fixed-term contract of three years duration.

Please apply in writing only and including a detailed CV and current salary particulars to the Personnel Department, Channel 4

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Street, London WIP2AX, for applications: May 2nd.

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## Jonathan Wren

## SENIOR STERLING DEALER

As a result of continued expansion, our client, a major international merchant bank, seeks to appoint a Senior Sterling Dealer.

Applications are therefore sought from ambitious, career minded individuals, aged 25-35 years, who are able to demonstrate clearly a minimum of five years experience of the sterling market, with specific knowledge of the following areas:- Interbank sterling deposits; certificates of deposit and eligible bills, arbitrage and financial futures. Some knowledge of gilt trading would be an advantage.

In addition to an excellent competitive salary, a substantial benefits package is available. Contact Norma Given or Brian Gooch.

All applications will be treated in strict confidence.

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For further information call JANE LIVERSIDGE 01-248 5205 LOUISE HUNTER 61-248 4864

## Senior Manager UK Corporate Business

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Your role will encompass the marketing of the Bank's complete range of services to corporate clients in the UK and the subsequent control of its credit risk. You will manage a team of seven managers and support Cripps, Sears

duct specialists including the Treasury and Capital Markets areas.

Aged 35 to 45, you are an experienced international banker, preferably with a degree or professional qualification. Your background includes at least 5 years' front line calling experience with particular knowledge of the UK, a firm grounding in credit and direct reporting to Credit Committee. A good team manager, your personal qualities include maturity, motivational skills and the ability to communicate and mediate.

This is a senior position within the Bank and salary will reflect this. The benefits package will include a company car, mortgage subsidy, profit share, pension, etc. Please telephone or write, in complete confidence, to Carmina Leon Ogle of Cripps, Sears & Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WCIV 6LH. Tel: 01-404 5701.

Investment Management Major portfolio Scotland

Our client is a very substantial and successful investment trust with a diversified portfolio including a large proportion of assets in the US, Japan and Australia. This is a new appointment which will carry responsibility and authority for portfolio management of specific geographic and industrial sectors.

The post demands proven experience of international investment gained in an investment trust, unit trust or pension fund environment or in stockbroking. Education to degree and/or professional qualification level is essential and the age indicator is late 20's to mid 30's. Competitive negotiable salary with benefits including a car, non-contributory pension scheme, free medical insurance and, where appropriate, relocation assistance. Interviews will be held in Scotland and London.

Please send a full CV - in confidence - to Michael Lawrence, REF. B/67562. This appointment is open to men and women.

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Ideally you will be a graduate with two or three years marketing experience in an investment or unit trust environment and you will have excellent spoken and written communication skills.

If you feel you have the necessary qualities and skills to contribute to our future success, we can offer the financial and personal rewards of working with an expanding and progressive company, as well as rapid career progression within our investment or marketing divisions.

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Probably in your early 30's and educated to degree level you must have at least 8 years' relevant experience in fundamental analysis and fund management in the UK equity market. A proven ability to communicate effectively with clients and intermediaries would also be an advantage.

We offer a generous remuneration package including competitive salary, bonus scheme, company car, subsidised mortgage and a non-contributory pension scheme. Please write in confidence with full details, or telephone for an application form to Carol Pritchard, Personnel Assistant, Training, Canada Life Ass. Soc. Co., Canada Life House, High Street, Potters Bar, Herts EN6 6BA.



## **DEALING ROOM OPPORTUNITIES**

In response to general market conditions, our client, a major international bank, wishes to strengthen its dealing department by recruiting the following dedicated professionals: Corporate Customer Dealer

to £25,000 The successful applicant, ideally aged between 22 and 30, will have at least 3 years' dealing room experience gained in either an international or clearing bank.

In addition to dealing on behalf of corporate customers, responsibilities will include developing new business in foreign exchange. Yen/\$ Swaps Dealer

to £25,000 This post represents an excellent opportunity for a young (21-25) inter-bank dealer looking for a real career move. A minimum of 2 years' experience is required, which should include either sweps and spot or Deutschemark or Sterling dealing.

Dealer's Assistant c£10,000

A background in FX back-up coupled with the ability to work under pressure is a prerequisite. Duties will include writing tickets, reconciliations, bookkeeping, dealing over the Rauter screen, controlling cash flow and generally performing a PA role to the Chief Dealer.

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To apply please telephone 01-638 0382 (office hours) or 01-769 3624 (evenings).

ONFIDENTIAL ADVERTISING



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Young ambitious Fund Managers from Unit Trusts, Insurance or Pension Funds

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Competitive Salary, banking benefits and bonus opportunities

We are retained by the Group Treasury division of this major clearing bank. Their dealing room is now one of the largest and most sophisticated in London, with a particularly strong presence in a range of secondary

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Interested candidates should contact Kevin Byrne on 01-588 6644 (lines open until 7.15pm Thursday April 17th) or write enclosing a c.v. to the address below.

All applications are in the strictest confidence.

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the relevant experience in a similar

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#### Lazard Money Broking Limited

Lazard Brothers Stock Exchange Money Broking Division seeks to fill two new appointments. Working closely with the Manager of the Gilts Section the individuals will be responsible for lizison with market making and institutional clients, stock delivery through CGO and the control of cash and collateral.

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Lazard Brothers & Co., Limited

**Midland Bank** 

SENIOR SPOT AND FORWARD

**DEALERS** 

Competitive package, bank benefits, car and dealing bonus.

Our client is the Group Treasury division of Midland Bank. Its ambitious development programme, culminating in the recent installation of a 130 position interbank dealing room, has ensured its position as

As a result, there are now a number of opportunities at senior dealer level on the spot and forward desks. These positions would suit dealers from an active trading environment. They should have at least 3 years trading experience of major currencies, and for the spot trading area it is envisaged that candidates would be

The overall salary and benefits package will not be a limiting factor for dealers of the right calibre. Career prospects are exceptional, reflecting exciting developments within the group's overall trading activities. Interested candidates should contact Kevin Byrne or Sarah Beaumont on 01-588 6644 (lines open until 7.15pm on Thursday 17th April) or write enclosing a detailed Curriculum Vitae to the address below. All applications treated in strictest confidence.

Bank Recruitment Specialists, 127 Cheapside, London EC2V 6BU Anderson, Squires

Senior Manager

Corporate Finance

An outstanding opportunity has arisen to join one of the most powerful and prestigious investment banking groups at a senior level. Sustained growth in the Corporate Finance sector has created the requirement for a

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The ternuneration package will include a bonus scheme as well as normal banking benefits. The bank will be

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fication and a general banking background with a minimum of two years in credit analysis. A self-

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Personnel Management Consultants, 88/89 High

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subsidiary of our London-based training organisation

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LONDON

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£14,000-£20,000

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35 NEW MRAND STREET, LONDON ECOM 1001. TELEPHONE: 81-588 3588 or 81-588 3576. TELEX: 887374. FAX: 81-588 9216 MIG ASSISTANCE ON RECONSTRICT, PLEASE TELEPHONE: 91-628 7530

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corporate equity and debt financing. The ideal candidate should preferably be in his 30's, with 5 years relevant practical experience gained in a merchant bank or a major financial institution. It would be advantageous if he is familiar with the investment environments in Hong Kong. South East Asia and the United Kingdom.

The appointment will initially be for . 3 years and full expetriate terms including a competitive salary, annual home leave with gratuities will be offered.

Applications will be treated in strict confidence and should be sent, together with detailed resumé, expected salary and a photograph to:

Mr. D. J. Bridger, Director, MARINE NAVIGATION CO. LTD., 1st Floor, Dewhurst House, 24 West Smithfield, London EC1A 9ED. Tel: 01-236 7771

HongkongBank Limited (X)



## **Junior Economist**

HongkongBank Limited is the European merchant banking arm of The HongkongBank Group. As a result of expansion we require a junior economist to work within the Capital Markets and Treasury Division. The principal responsibility will be to assist in the production of the Banks' publications, namely the Foreign Exchange Report and Capital Markets Profile. .

The individual concerned will have at least a Masters Degree in Economics or a related discipline, and one to two years relevant experience in a Bank or Stock Broker would be an advantage. The individual must be adaptable, possess drive and determination and be able to communicate effectively.

Salary will be negotiable and normal merchant banking benefits will apply.

Applications with full CV which will be treated in strict confidence should be sent to C. E. Fiddian-Green, HongkongBank Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN.

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As part of our expansion plan we are looking to recruit two analysts—one to cover the Textiles Sector and the other to provide additional support for the Food Retailing and Stores Sectors. They will work in conjunction with an established and highly successful Retail Team. Applicants will be self-motivated, extremely hard working and determined to make a real success of their careers. Remineration will be competitive and highly geared to results.

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A prime US bank needs to appoint a Fund Manager to act as No 2 in the department, supervising 3 junior fund managers. The position has direct responsibility for the fund and also considerable influence in marketing and overall strategy. The rapid growth of the funds under management means that there grown of the lunds under management means that there are excellent prospects, possibly to director level. Candidates should have rele-vant experience, be educated to degree level and aged ideally around late 20's/early 30's.

Interested candidates should contact Felicity Hother or Sarah Beaumont on 01-588 6644 or write enclosing a full c.v. to the address below.

All applications will be treated in the strictest confidence.

Anderson, Squires Ltd., Bank Recruitment Specialists

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U.K./EUROPEAN

ANALYSTS

Our cliem is one of the most prestigious names in mer-cham banking, with an unsur-passed reputation for its in-vestment and fund manage-

vestment and fund management activities. They need to recruit a number of equity analysts, with knowledge either of a) a specific sector within the U.K. market — particularly Financial Institutions or b) the major European markets. The organisation sees its analysis team as the source of future fund managers. An excellent package includes subsidized mortgage and bonus.

## Dealing Opportunities

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> **ECU Dealer** Head Up A New Department

> > City

Accepting the challenge of guiding the bank in this particular market, you will initially establish dealing relationships and subsequently take responsibility for day to day ECU dealing. Reporting to a senior manager, you will advise on settlements and take this opportunity to influence a major

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INVESTMENT MANAGER

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Neg. from £20,000 + bonus

management company, the Economic Forestry Group.

This interesting and unusual opportunity arises within the UK's leading private forestry

Liaising directly with wealthy private investors and their financial advisers, the

successful candidate will be responsible for handling initial enquiries, providing advice,

devising detailed proposals, negotiating deals and subsequently maintaining continuing

Applicants, ideally in their early thirties, must therefore combine highly developed

social and communicative skills with broad commercial and financial knowledge,

gained by working either in the City or for a firm providing investment advice. Existing

knowledge of forestry management and its tax implications is not required as full training

The remuneration package, which is negotiable, will include a performance related

Please send a comprehensive career resume, including salary history and day-time

telephone number, quoting ref: 2354 to G.J. Perkins, Executive Selection Division.

The Business Partners

Hill House, 1 Little New Street, London EC4A 3TR. Telephone: 01-353 8011.

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**Treasury Dealer** Gain Prospects in A Major House

Joining an experienced team, you will intially concentrate on trading US \$ treasury notes. Working in a relaxed but professional atmosphere, you will benefit from being part of a growing environment where there will be

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> **Assistant Dealer FX and Treasury**

The bank requires 2 assistant dealers, one to concentrate on the FX area and the other on the Treasury side. Working within a small team, these positions provide an opportunity to angment your knowledge and practical experience and offer potential promotion to dealer status.

Aged 21-25 and ideally a graduate, you are capable, energetic and possess a strong but flexible personality.

All positions offer excellent career prospects together with competitive salaries and banking benefits. To apply, please telephone or write, in complete confidence, to Matthew Wright of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London. WC1V 6LH. (Telephone 01 404 5701).

Cripps, Sears\_

#### MANAGEMENT CONSULTING

THE MAC GROUP (UK) LIMITED

#### STRATEGY CONSULTANTS

The MAC Group is a leading international consulting firm focused on strategy formulation and implementation at the senior corporate level. Development of the firm's European practice in implementing strategic change for multinational firms has led to the need for highly qualified additions to the consulting staff in our European offices:

Qualified applicants will be between the ages of 25 and 30 and will have:

- Superior academic credentials (Top school
- Prior relevant business experience with a proven track record
- Strong analytical and interpersonal skills Fluency in at least one language other than English (German and Italian particularly

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The position entails substantial responsibility for top management consulting and offers professional challenge and commensurate rewards. Commitment to hard work and willingness to travel are fundamental.

Written applications and CV to THE MAC GROUP (UK) LIMITED

> 12/14 Mount Row London W1Y 5DA

For the attention of Miss G Walker

**MARKETING EXECUTIVES** 

TO ASSISTANT DIRECTOR LEVEL

Our client, a leading UK Merchant Bank with a powerful client base is expanding confidently into its future role as a new international investment bank.

They are currently recruiting coveral marketing executives to join enoting teams within the Finance Division and require financial engineers who can both identity and implement the creative solution to the cuenty needs using the whole range of specialist financing services.

The ideal condidate will be a graduate (at least 2:1) agod 25-28, an ambitious pragmatic team player who combines a solid banking/ financial background with exposure to capital markets products and their implications for the client. A high level of both written and oral skills are essential together with dobt financing expertise gained within a US Bank or development capital area.

Our client has a strong commitment to mentocracy and rawards will be high in terms of fast promotion and appropriate remuneration.

For further information please call Sara Bonsey

18. Eldon Street, Moorgate, London EC2M TLA, Tel: 01-588 4224

**AATRII AVIII AURILIA** 

Age-range: 30-50. Salary: negotiable at an appropriately attractive level, plus car and the usual benefits.

ASTRON APPOINTMENTS LIMITED

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Please write with c.v. or telephone in complete confider Roger Stacey or Anna Kershaw at:

## FINANCE EXECUTIVES

Birmingham

business relationships.

will be provided.

Manchester Leeds

Aged 25-30 County Bank is a leading British merchant bank offering a wide range of

corporate financial services. The services provided by its Regional Offices include the provision of finance, equity investment and corporate advice. We are now seeking to expand our existing teams with the appointment of Finance Executives who will immediately be able to contribute to the development capital/finance activities of the offices. We would anticipate that the successful applicants will be Chartered Accountants or Graduate Bankers with previous

experience in corporate finance. The salary and benefits package, which will include a car, will be fully

commensurate with the positions.

Interviews will be held in the Regional Offices but in the first instance, please write, enclosing full details of experience, qualifications and current salary to:-Ian Carlton, Assistant Director, Personnel, County Bank Limited, 11 Old Broad Street, London EC2N 1BB.

A member of the National Westminster Bank Group

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FOR FURTHER DETAILS
PHONE MIKE GILMORE on 631 5045 CRAWFORD RECRUITMENT SERVICES LTD.

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£ package negotiable

Clients restructuring their floor teams have requested our assistance in identifying experienced traders who are capable of immediately contributing to our clients rapidly evolving activities.

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Recruitment Consultants
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## REINSURANCE EDITOR

Reinsurance is the authorative monthly magazine covering this major sector of the insurance world. It needs an Editor who can take it on to the next stage in its development. The ideal candidate will have good contacts in the reinsurance market and editorial experience as well. If you think you might fit the bill write to:

J V Williams, Managing Editor, BUCKLEY PRESS, 58 Fleet Street, London, EC4Y 1JU

**ELECTRICITY SUPPLY PENSION SCHEME** 

## SENIOR FUND MANAGERS

UK/Overseas

The Pension Department of the Electricity Council manages the investments of the Electricity Supply Pension Scheme, which is one of the largest pension funds in the UK. The value of the fund is approximately £5bn and is still growing.

Following promotions and an expansion within the Pension Department, the Electricity Council is seeking to recruit two Senior Fund Managers, one for the UK and one to work on the Scheme's overseas

Senior Fund Manager (UK)

You will be reporting to the Assistant Investment Manager (UK) and will assist him primarily in the running of the Scheme's UK equity portrolio as well as providing some support in the supervision There will be ample scope to influence overall policy and immediate investment programmes.

Within the UK equity market you will be responsible for keeping under close review various sectors, assessing detailed studies of industries and companies, vetting company accounts and monitoring stock market price performance. You will supervise the duties of fund managers and analysts, ensuring compliance c.£26,000p.a.

with agreed procedures for dealing and reporting investment activity. Ref: 36/FT.

Senior Fund Manager (Overseas)

You will be reporting to the Assistant Investment Manager (Overseas). The duties will be broadly similar to those in the above post except that they will relate to the Scheme's Overseas investments and predominantly North American equities. Ref: 37/FT.

The individuals we are seeking to join the investment team will have a sound knowledge of investment principles and techniques and will have relevant experience of both practical analysis and fund management and of staff supervision within the investment industry. The salary range for the posts, under offer is £25,265 to £27,155p.a. (under review), and the starting salaries will be dependent on the successful candidates expertise and experience.

Please write in confidence with CV and current salary, quoting appropriate reference, to: David Webb, Recruitment Officer, The Electricity Council, 30 Millbank, London SW1P 4RD.

The Electricity Council has an Equal Opportunities Policy and

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## Investment Information a career development opportunity **Central London**

Clerical Medical is noted for the strength of its investment management, which has helped the Society become one of the leading life, pensions and unit linked organisations in the U.K.

This new appointment is in addition to a small team who provide varied investment communication support to a wide range of internal and external contacts.

Initially you will be involved with the computerisation of investment performance and competitor performance statistics and analysis of this data.

ideally you will be a graduate in mathematics, statistics or a

computer related subject with 2/3 years experience in the financial sector or industry. Equally important will be your personal contribution to the development of this team which could prove an invaluable stepping stone towards a career in investment.

We offer a competitive salary according to qualifications and experience plus an excellent benefits

Please write with full details to Nick Morgan, Clerical Medical and General Life Assurance Society, Narrow Plain, Bristol BS2 0JH.

Clerical Medical Life Assurance

# Market

• graduates aged 35-42 preferably with a higher degree (e.g. M.B.A., MA economics)

● United States Securities Dealing qualification (NASD) & Canadian Securities Examination

extensive and recent first hand experience of U.S. money market operations

 extensive experience of Canadian money market operations Rewards for the successful candidate will comprise a highly competitive salary enhanced further by a comprehensive package of banking benefits.

Please write, giving full details of career and salary progression to Box No: A0115, Financial Times,

Applications are invited from candidates who feel their career achievements have now reached a level to justify an upward step: Contact Michael Hutchings. Maker/Dealer **EDITORIAL DIRECTOR** All applications will be treated in strict confidence. (DESIGNATE) £41 per Single Column An established City banking organisation is seeking to recruit an outstanding individual to manage its US dollar and other, non-sterling money market instruments. for a successful and fast-growing company publishing journals, newsletters, books and looseleaf reference material in the professional and financial sectors, to take charge of all the editorial functions of the Company. Candidates should have (1) editorial management experience in financial or other specialist publishing (2) an interest in the professions and the financial world generally (3) administrative ability and leadership qualities (4) energy, numeracy and a strong commercial sense. Applications are invited from candidates with the following experience and qualifications:

# ACCOUTING OPPORTUNITIES

Profitability and expansion both in the North Sea and internationally, typity
ARCO British Limited, the highly
successful UK subsidiary of one of the
world's largest oil and gas companies.
Company growth and internal promotion
have created the following openings for
talented finance specialists.

Tax Accountant

**(**\*)

This new position has been created to centralise the Company's tax compliance and planning activities. Responsibilities will include PRT compliance, Corporation Tax Computations, royalty returns, VAT returns and related tax planning activities for AROO's expanding North Sea and other European activities. To be successful in this position, you must have experience in PRT compliance. You are likely to be a qualified Accountant and have worked in a tax position with an oil



company or public accounting firm and have at least 5 years accounting tax

Finance Supervisor **Great Yarmoth** 

Reporting to the Production Manager, with administrative support your responsibilities will include the co-ordination of production and drilling budgets, gas sales accounting, purchasing, contract administration, rivoice processing, and the cashier

In your late 20's, you will need to have 5 years relevant experience within the oil industry and posterably some supervisory

Distribution Accountant Carrying out analysis and allocation of expenditure with particular reference to purchase order/contracts and the control of incoming cash calls, you will also maintain the company's financial

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balances with our Los Angeles head

In your 20's and part qualified, you will ideally be oil inclustry experienced together with a knowledge of joint venture

These positions are based at our London headquarters with the exception of the Great Yarmouth Finance Supervisor position.

These positions enjoy attractive career

prospects, highly competitive salaries and generous benefits packages which include non-contributory pension scheme, life insurance, company paid private patients' scheme and relocation

expenses where appropriate.
Please write or telephone for an application form to Mark Cartmel, Riley Advertising Limited, Rex Stewart House, 159 Hammersmith Road, London W6 8BS. Tel: 01-846 9933.

ARCO British Ltd., a highly successful subsidiary of Atlantic Richfield Company, is actively exploring and developing key areas in the North Sea. These involve 21 operated licences in the Southern Gas Basin (including the Thames Gas Complex) and 2 rigs currently drilling, in addition, we are involved in non-operating producing interests in the U.K. and the Netherlands, and have substantial holdings in Norway, notwithstanding large operations worldwide.



## Seiko Epson Corporation **European Controller**

Wembley

Our client is a major market presence in industrial and consumer electronics products. A European headquarters has been established to coordinate a distribution network of established subsidiaries and direct further expansion.

The appointee will assist the managing director and executive director in managing and developing European operations. The broad brief includes budget monitoring, cash control, tax planning, hedging against exchange losses, consolidations and the development and use of computerised management information, accounting and internal audit systems.

Candidates, preferably 28-37, should be chartered accountants with fluency in English and at least one other European

£25-£28,000 + car + bonus

language, offering minimally 5 years senior experience in a multinational environment. The ability to establish effective relationships with operations management, commercial judgement and a capacity for considerable travel and long working hours is also called for.

Please write, in confidence, enclosing career details and quoting reference 2976/L to M.R.P. Blanckenhagen, Executive Selection Division, Peat Marwick, Mitchell & Co., 165 Queen Victoria Street. Blackfriars, London EC4V 3PD.





## Financial Management Accountant A senior financial role

circa £21,000

The Wellcome Foundation Limited is the parent of an to make a major contribution to the development and international group of pharmaceutical companies with headquarters in the United Kingdom and a current annual turnover in excess of \$1000m. effectiveness of Wellcome's U.K. Finance Division.

A key management opportunity has arisen within the Company's Lik. Financial Accounts area based at Dartford in Kent As a financial Management Accountant patroid in Kent As a manifest management Accountant you would head a Department of some 60 staff comprising both, qualified professionals and experienced clerical staff, for would be accountable for a wide range of financial activities embracing statutory and management accounts, forecasting and budgeting, cash services as well as the Company's sales and purchase accounting functions.

As a Senior Manager, you would, of course, be expected DAI 5AH.

Darfford, Kent

You should be a qualified accountant with significant managerial experience in a Company operating sophisticated computerised accounting systems.

We offer an attractive salary, negotiable according to experience, together with excellent company benefits including five weeks' holiday, pension and life assurance scheme and first class sports and social club facilities. Assistance with relocation expenses will be considered where appropriate.

Please write with full career details to Tom Mahon, Personnel Manager, The Wellcome



## **Financial Controller**

Opportunity for Young Achiever

N. Yorks

Our client is a £20 million turnover manufacturing subsidiary of a well-known, quoted, fast moving consumer goods group with an unparalleled record of growth and profitability to date and a wholehearted

commitment to continued expansion. Recent divisional decentralisation creates the need for a commercially oriented Chartered/Certified Accountant to complement the current management team. The initial brief will be to establish a totally integrated finance and data processing function but the successful applicant will be expected to make increasing contributions to other commercial functions and thus to the maximisation of profitability. This is

à high profile appointment requiring the

qualities of action rather than delegation.

Candidates, aged 27-32, will be qualified accountants of graduate intellect, who can demonstrate significant career progression and above average communicative skills, technical ability, and leadership potential. As this is viewed as a development role within the group, career prospects are considered excellent whilst success in this role will lead to an early board appointment.

c £ 20,000 + Car

Relocation facilities are available where appropriate. Interested applicants should contact Stephen Broadhurst, quoting ref. L8213 on 0532 450212 or write to Michael Page Partnership, 13/14 Park Place, Leeds LS1 28J.

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#### **Recruitment Consultant** Package to £30,000 + BUPA + Car

We wish to meet Recruitment Consultants with experience in either the commercial or professional accountancy recruitment markets. You will be 24-30, preferably professionally qualified or a graduate. We can offer substantial earnings potential plus benefits including profit share and a professional development programme. Excellent prospects related to ability and performance. Contact DAVID PEACHELL, Director.

#### Specialise in Taxation London EC4 £13,000-15,000 + ATII package

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Our OVERSEAS DIVISION has current vacancies within leading firms of Chartered Accountants in New Zealand, Australia, Middle East, Bermuda, South Africa, Kenya and the Far East. You should be qualified and have trained with a medium sized or large firm of accountants. For brochures and informative careers advice, contact CAROL JARDINE.

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## CONOCO

## Managing the credit risk Credit analysis offers commercial challenge as well

£11-16K

Conoco Limited is the marketing subsidiary of a major US multinational oil and energy corporation. We trade under the JET and Conoco brand names, and sell our finished products to some 900 service station customers throughout the U.K.

The credit section determines, approves and monitors the credit trading terms of all customers, in respect of retail, industrial bulk, and Crude sales.

The function is a vital one, calling for fine judgement in balancing cash flow requirements and bad debt risks with the necessity of remaining competitive

in a highly competitive market. The persons we appoint to these Credit Analysis positions will not only have experience in a credit function, but will so be able to interpret financial statements with considerable insight. It is likely that they will possess a professional financial qualification or be studying for one; they will certainly have a better than average

understanding of economic finance, banking and accountancy.

Your responsibilities will embrace the investigation, approval or recommendation of new customers, as well as monitoring and reporting or, the day-to-day situation. In all of these activities a great deal of tact will be necessary, and management will expect to be kept in the picture. In the more senior position you will also be expected to negotiate and arrange letters of credit on LPG and Crude

market. Benefits include those normally associated with a multi-national organisation including optional share

plan, non-contributory pension and

unch altowance. Please write with full career details to Laura Powell, Employee Relations Division, Conoco Limited. Conoco House, 230 Blackfriars Road, London SE I BNR.

## **Assistant Group Accountant**

c£18,000 + benefits

Our client, a leading international money broking group, is looking for

an enthusiastic young accountant. Reporting to the Group Accountant/Company Secretary, they will be responsible for all group financial and management accounting. This will include developing management information systems to meet business needs, the preparation of budgets and forecasts, multicurrency cash flow monitoring and other related topics.

Candidates are likely to be accountants in their twenties, with 1-2 years' post qualification experience. Previous financial services sector exposure or experience of multinational or international accounting would be a definite asset. Familiarity with personal computers is essential, as is the ability to establish credibility at all levels and to adapt to a demanding environment.

Prospects within this successful group are limited only by achievement.

Location: City of London.

Please reply in confidence to: Joanna Corr (ref 8691).

**KMG** Thomson McLintock.

#### Management Consultants 70 Finsbury Pavement London EC2A 1SX

West/North Yorkshire base

c£20,000 + Car etc.

Our client, a leading, profitable and autonomous subsidiary of a US Multinational group is a successful marketing led organisation supplying a wide range of high quality equipment to a diverse range of industrial and commercial users.

YOUNG CHARTERED ACCOUNTANT (Computer literate)

A young, dynamic and ambitious Chartered Accountant is now required to be responsible initially for the purchase and implementation of software for a recently acquired IBM System 38. Additional responsibility will be for the effective day to day control of the order input department including staff supervision of eight personnel.

It is anticipated that the job will develop in terms of the successful candidate becoming commercially involved in other areas of finance, systems development and administration. Candidates aged 25 to 35 with appropriate experience and the enthusiasm to join a committed management team should apply in the first instance to Brian Daniels, (Managing Director), Daniels Bates Partnership Ltd., Leeds Office, Tel: (0532) 461671, quoting ref: 86/2011FT.

Daniels Bates Dartnership PROFESSIONAL RECRUITMENT Daniels Bates Partnership Ltd., Josephs Well, Hanover Wall, Park Lane, Leeds LS3 IAB, Tel: (9532) 451671 (5 lines 23 hours). Also at: Founsain Precinct, Leopold Street Wing, Sheffield St 2GZ, Tel: (6742) 754015

## Finance Director

North West

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300

£55,000

Our client is a manufacturing group with market leadership in several fields and with an enviable track record of profitable growth but with very considerable ambitions for the future.

The role has a wide responsibility embracing all espects of group finance, administration and accounting performances of the operating

finance, administration and accounting performances of the operating companies.

Candidates will be qualified accountants aged middle 30s to early 40s with impressive experience in close contact with sales, production and distribution functions in a high volume manufacturing company using computer techniques and will be expected to make a major contribution to this fast moving business. Total commitment is expected but rewards will compensate.

The salary package is negotiable around £35,000 with executive car and benefits etc. Generous relocation help where necessary.

Flease apply in writing to Confidential Reply Service, Ref. APF 661, Austing Knight Advertising UK Ltd, 35 Peter Street, Manchester, M2 5GD. Applications are forwarded to the Client concerned and therefore Companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

## oggett Bowers Executive Search and Selection Consultants

Financial Controller Belfast, c£25,000, Car

advancement.

This board level appointment with a major commercial organisation carries responsibility for all aspects of financial and management accounting. The successful applicant will be required to:-

 Manage and develop as required detailed computer based financial accounting systems. Support line management by the provision of clear and effective

management accounting systems.

Influence company decision making particularly at board level, through well developed skills in financial analysis and diagnosis. well developed skills in financial analysis and diagnosis.

Candidates, qualified accountants (CA, ACMA, ACCA) must have a successful track record at a senior level gained within a large organisation. Personal drive and commitment together with well developed inter personal skills are essential. Normal large company benefits including relocation assistance are offered together with prospects of further career

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to J.C. Brown, Hoggett Rowers plc. 127 St. Vincent Street, GLASGOW, G2 5/R. 041-221 2585 quoting Ref: 31753/FT.

## Treasury Executives

## currently seeking

#### £18,000-£45,000

Cartwright Hopkins has been established to provide an executive recruitment service in a professional. personal and confidential manner. We are currently seeking to extend our contacts within the treasury field and would therefore like to hear from Treasurers who have achieved a successful career to date and who wish to develop their

Please write enclosing a full curriculum vitae to: Philip Cartwright F.C.M.A or Nigel Hopkins F.C.A,

97 Jermyn Street, London SW1Y 6JE. Tel: 01-839 4572



FINANCIAL SELECTION AND SEARCH

South West England Considerable UK travel

ur client is a significant part of a nationally and internationally known and respected organisation with many and diverse interests in aerospace, defence electronics and leisure.

As a result of restructuring in their Finance Department they have identified the need for a top flight auditing function directed towards securing 'value for money' and increased profitability in their organisation with particular emphasis on their extensive High Street

An ambitious financial professional with the necessary vision to pioneer and develop this key function is therefore required. The successful applicant will be expected to assess the effectiveness of operations against objective criteria, establish codes of best practice and possess the energy to ensure the use of this practice throughout the organisation.

Since our client operates from many sites throughout the

£15,000 + executive car UK a considerable amount of travel and time away from base is involved.

You will be a recently qualified accountant or a young MBA graduate currently working in a dynamic commercial environment or in an accounting practice, where great importance is attached to operational effectiveness. You will be an excellent communicator and possess the drive, ambition and potential to become a future Financial Director.

As a reflection of the importance we attach to this position the salary offered will not be an obstacle to your appointment if you are the right person. In addition a company car is provided together with an attractive benefits package including generous relocation. Please write to: Robert Bloor, Brunnings Personnel, Eastcott House, 4 High Street, Swindon SN1 3EP including the Company you do not wish your application to be forwarded to.

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## Finance and Administration Director

## Registered Charity

careers further.

The Royal British Legion Housing Association (RBLHA) is one of the largest providers of sheltered accommodation in the UK, with assets of over £170 million.

The newly-created position of Finance and Administration Director provides a rare opportunity to join an established charity and yet make an innovative and commercial contribution as a key member of the management team.

Reporting to the Chief Executive, the Finance and Administration Director will have overall responsibility for all accounting, treasury, data processing and administration activities. A particular priority will be the further development of computerised management information systems.

Candidates, aged at least 35, will probably be qualified

Bucks, c. £22,000+car

essential, as is exposure to computerised accounting systems. Evidence of a broader involvement in administrative and personnel matters would be a distinct advantage. Personal qualities must include integrity, strength of purpose and the ability to communicate authoritatively with mature and experienced

Please reply to Kay Rose in strict confidence with details of age, curver and salary progression quoting reference 1585/FT on both

## **Haskins+Sells**

Bristol

Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

## International Banking - Securities

#### Recently Qualified Accountant: Outstanding Opportunity City based

Our client is seeking to recruit an individual to take control of the existing market - making accounting function. The position will offer an excellent opportunity of acquiring an in-depth knowledge of the securities industry and of first rate prospects within a changing market.

Applicants must be:

- recently qualified ACA's with a City firm (not necessarily Big 8)
- aged under 29
- · commercially aware
- experienced in staff management.

The successful applicant will have an important involement in the development of sophisticated Information Technology systems and will need to liaise with senior management, front-office and settlement staff. Interested applicants should phone Keith Allen on 01-930 7850 or write in strict confidence including a brief c.v. to the address below quoting reference 1762. Excellent salary & bonus package.

#### Robert Walters Associates

Recruitment Consultants

to £25,000 + car + share options

66-68 Haymarket, London SWTY 4RF. Telephone: 01-930 7850

## **Company Accountant**

**Venture Capital** 

c£20,000

Central London

Our client, a major UK pension fund, is seeking a Company Accountant for its venture capital activity. The activity manages a portfolio with a value of some \$150m and has a long term commitment to project finance and small company investment. Investments are currently held in excess of 150 individual

The Company Accountant will be responsible to the Managing Director for the preparation of management and financial accounts and will be expected to take the initiative in the development of financial management information systems. The successful applicant will be a qualified chartered accountant with 2/3 years' post qualification

experience and will be interested in the possibility of advancement into venture capital investment Salary will, initially, be up to £20,000 but prospects for promotion are excellent for the right candidate. Attractive conditions of employment include generous holiday entitlement and home to office travel

Please write with full career details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ann Herbert, ref. B.2406.

> HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW. Offices in Europe, the Americas, Australasia and Asia Pacific

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CONFIDENTIAL ADVERTISING

#### Interviews will be held in Bristol. Please send a comprehensive career resume, including salary history and day-time telephone number quoting ref: 2651, to G.J. Perkins, Executive Selection

**△**Touche Ross The Business Partners

Hill House, I Little New Street, London EC4A 3TR. Telephone: 01-353 8011.

Expanding company seeks a commercially-minded

**FINANCE DIRECTOR** 

A profitable, financially sound business shortly to be floated on the USM wishes to strengthen its management team by appointing a Finance Director. The company markets a revolutionary

range of computerised sign-making machines to customers in the UK and the Middle East.

In addition to designing and implementing the financial reporting and cash management systems

which the company needs at this stage in its development, the successful candidate will be

Applicants, preferably in their mid-thirties to early forties, must be qualified accountants with a

shirt-sleeves approach who can relate to a fast-moving business. Computer literate and

experienced in international, multi-currency operations, they should combine a knowledge of

sophisticated financial controls with exposure at a senior level to a small, preferably owner-

involved in a broad variety of commercial and administrative matters such as legal agreements,

Turnover, currently in the region of £9 million, is growing rapidly.

import/export arrangements and pricing policies.

# Young ACA (Stockbroking)

City based c.£22,000

Leading British stockbroking firm seeks an exceptional accountant, probably aged mid 20's, to head a small finance team handling all accounting for the market making subsidiary. This is a new post created to keep pace with aggressive expansion of markets worldwide. Opportunities for personal development are almost unlimited.

The successful applicant will probably have some post qualification experience gained in commodity broking, a finance house or major firm of accountants. The ability to control, coordinate and to liaise effectively with the dealing team is essential, as are strong management reporting skills.

For full job description write in confidence to Mark Lockett at JC&P, Selection Consultants. 104 Marylebone Lane, London W1M 5FU showing clearly how you meet our client's requirements, quoting ref. 9126/FT. Both men and women may apply.

● ● John Courtis and Partners ● ● ●

## **Divisional Accountant**

Berkshire

to £20k + Car

Our Client is a progressive, medium-sized public group with an enviable record of profitable expansion in the manufacture of mainly own-label food and drink products. The company is exceptionally well regarded for quality and service and has plans for diversification and further growth.

A qualified accountant is now required to be responsible to the General Manager (and functionally to the Group FD) for all aspects of accounting in one of the larger Divisions - turnover circa £30m. He/she will also have the opportunity to contribute to systems development and, as a member of the management committee, to the overall running of this key business unit.

Candidates - ACA, ACMA, or ACCA and preferably aged 28-40 - must be commercially oriented and have proven man-management skills. Experience in an autonomous manufacturing/processing operation demanding the provision and analysis of timely, accurate information against a background of tight planning and control is desirable.

Salary is negotiable as indicated (with some flexibility for an exceptional candidate) and benefits include a 2-fitre car and assistance with relocation if appropriate. Please apply in confidence under Ref 231/6/FT, to Charles Barker MSI, 30 Farringdon Street, London EC4A 4EA. Tel: 01-634-1143.

CHARLES BARKER

SELECTION-SEARCH-ADVERTISING

#### ASSISTANT FINANCIAL DIRECTOR (Financial Director Designate)

To assist our continued expansion, Terex Equipment Limited, a subsidiary of General Motors Corporation, wish to appoint a talented individual into this senior position. This opportunity will be ideally suited to a Graduate, Qualified Accountant, (male or female), aged 28-35, who has

sound industrial experience preferably in Medium/Heavy engineering, with a strong export background. Reporting to the Finance Director, in addition to managing the Finance Department, he/she will be responsible for ensuring the preparation of all financial and management accounts,

including budgetry/forecasting and treasury functions.

We would offer a salary and benefits package, including re-location expenses, which will be realistic to the right individual.

Apply in writing, with full C.V. to: George Prentice, Personnel Manager Terex Equipment Limited Newhouse Industrial Motherwell ML1 5RY

Lanarkshire Scotland

## FINANCIAL CONTROLLER

RECRUITMENT CONSULTANCY

REQUIRES A FINANCIAL CONTROLLER. The successful applicant will be directly responsible to the directors

1. Develop an Integrated PC Accounts Package. Implement Management Control Systems. Prepare Monthly Management Actounts, Budgets and Forecasts.

Prepare Financial Accounts. The position offers excellent prospects for advancement and a competitive package will be offered. May suit a newly-qualified accountant or time-barred finalist.

Please reply in own handwriting with full C.V. to:-J. S. Rose, F.C.A., GERALD EDELMAN & CO. 25 Harley Street,

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## **ACCOUNTING AND COMPUTING** OPPORTUNITIES IN OIL

Amerada Hess Limited, a highly successful and expending subsidiary of the Amerada Hess Corporation, is directed by an all British Management and has been Involved in the North Sea since 1964. It has interests in 88 blocks including 7 producing fields and is developing the Ivanhoe and Rob

Excellent career opportunities now exist for lively young Accountants with practical experience in a large company or accounting environment.

FINANCIAL PLANNING

A demanding and stimulating role involved in budgeting, forecasting and planning financial strategies both for UK and USA management centres. Ideally, applicants will be part-qualified or recently qualified in industry and will have

**EXPLORATION VENTURES** 

An interesting role engaged in monitoring and reporting on the Company's operated varitures in exploration areas. Candidates will probably be qualified and previous oil industry experience could prove an advantage.

The continued development of computer applications and the recent installation of a Wang VS 300 has created an additional requirement in the Data Processing Section.

SYSTEMS ANALYSIS

To design and implement systems – the immediate project is the installation of a general ledger system. Candidates will have at least 5-6 years experience in the computer industry of which some 2 years will be in systems analysis. The excellent benefits package includes an attractive

AMERADA

salary, non-contributory pension, subsidised BUPA,

function allowance, season ticket loan and five weeks holiday. To apply, write to Andrew Scott-Priestley giving full details of career history and salary, indicating

Amerada Heas Limited 2 Stephen Street London W1P 1PL

the post applied for.

## Deputy Finance Director

## Lazard Brothers

Lazard Brothers is seeking an ambitious Deputy Finance Director to make a major contribution to the next stage of its own development as it adds innovative products to the traditional core

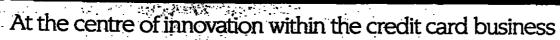
key tasks will include financial strategy determination and a broad range of investigations, in addition to MIS development, service costing, and risk analysis. Success in this role will lead to appointment as Finance Director on the current jobholders

Candidates should be qualified accountants, probably FCA, and aged around 35-45, with significant sector experience and a pragmatic approach to financial control. Essential qualities will

include strength of intellect and character, flexibility, flair and creativity. Communication skills should impress.

Please reply to Martin Manning with details of age, career and salary progression, education and qualifications, quoting reference 1574/FT on both envelope and letter.

Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL



## Marketing-Orientated Management Accountant

c£20K package

In the rapidly evolving market place of credit cards. TSB Trustcard continually develops and assesses new products and services, building on its position as the third largest issuer of Bank credit cards in the UK. The financial evaluation of new developments is a critical wide-ranging task providing a commercially aware management accountant with an opportunity of high professional challenge.

Candidates must have gained relevant commercial experience within a marketing-driven organisation

Brighton

(not necessarily in the financial services sector). be fully qualified (ACA, ACMA or ACCA) and have used both micro and mainframe financial modelling

In addition to an attractive salary comprehensive benefits include subsidised mortgage, noncontributory pension scheme, bonuses, 30 days' holiday and free BUPA. Relocation assistance to the Brighton area is available if necessary.

Please write enclosing full cv to: Neal Lucas, Personnel Manager, TSB Trustcard Limited, Brighton BNI 4BE

or telephone Brighton (0273) 724666 ext 2005 for an application form.



## ACCOUNTING

LONDON

£20,000-£24,000 + CAROur client is an internationally renowned PLC, with interests in Construction, Engineering and

Development at home and abroad. As a market leader with a turnover of £11 billion, they are now seeking a Qualified Accountant, preferably Chartered, to work from their Head Office as their Accounting Controller, reporting into the Group Financial Controller.

Your area of responsibilities will cover control of Group subsidiary statutory accounts, management of centralised accounting services for the Group of Companies and holding Company, liaison and control of development of group financial accounting systems, determining and implementing group accounting policies, overall staff management responsibilities of 50 staff, liaison with internal and external auditors and senior level management over accounting related matters.

The successful candidate will be between 30-40 years old, be of strong character, have a relaxed open honest approach, career minded and be able to empathise at all levels. Ideally you will have worked for a large organisation and have group consolidation experience.

Relocation facilities are available where appropriate. Please contact JAMES NAIRN on Day 01-638 2228, Night 01-602 3385 or write to him at HMS ACCOUNTANCY APPOINTMENTS, 5th FLOOR, 18-25 ELDON STREET, LONDON EC2M 7LA.

HESTAIR MANAGEMENT SERVICES LIMITED

## FINANCIAL CONTROLLER

DONCASTER, S. YORKSHIRE

DONCASTER, S. YORKSHIRE

BRIDON pic, are international Group of Companies operating in more than 20 countries, enjoying a world wide reputation of leadership in the metallurgical products market and with a Turnover exceeding £303 million, now seeks, as a result of continuing expansion plans, to appoint a Financial Controller. Reporting directly to the Financial Controller. Reporting directly to the Financial Controller responsibilities will embrace the monitoring of operational and financial efficiencies of all member Companies; to Identify, investigate and report on shortfalls in performance; devise, action and implement improvements and more cost-effective procedures/systems ensuring minimal capital employed, and to assist the co-ordination of the programme of search and appraisal of possible Group acquisitions world wide.

Aged 35/40, professionally qualified to the level of Graduate/Chartered Accountant with a proven record of success in a comparable role, candidates must show evidence of professional skill and acumen, augmented by a strong commercial awareness, tenacity, vision and conceptual flair.

The career progression pattern to date must be indicative of further executive development potential.

Salary indicator circa £30,000 plus Company Car, Pension/Life Assurance Scheme, share incentive scheme participation and the usual relocational benefits etc. normally associated with this level of appointment in a Company of this standing.

Write in the first place and in strictest confidence, marked

standing. Write in the first place and in strictest confidence, marked for the personal attention of:-

Dr. John A. Roebuck General Adviser and Consultant BRIDON ptc Carr Hill, Doncaster S. Yorks. DN4 8DG to arrive not later than Wednesday 30 April 1986.

Recent ACA

#### Same in the same of the same of the same of FINANCIAL CONTROLLER

BRENTFORD, Middlesex

neg. to £25,000 + CAR

Our client is a £30m+ annual turnover subsidiary of a major public company operating in the SERVICE SECTOR. It is currently relocating to BRENTFORD, Middlesex, in order to prepare for the next phase of expansion. This results in the above vacancy which will suit a fast track QUALIFIED ACA/ACCA/ACMA aged 27-37 with first class TECHNICAL ACCOUNTING ABILITY, good communication skills and total commitment

The successful applicant will already have had excellent commercial or industrial experience in a DYNAMIC ENVIRONMENT to allow for striking the right balance between maintaining tight financial controls during a period of consolidation and upgrading the current database computerised accounting systems to the next generation of database machine.

#### FINANCIAL ACCOUNTING MANAGER

BRENTFORD, Middlesex

neg. to £22,000 + CAR

Our client also seeks an EXPERIENCED FINANCIAL ACCOUNTING MANAGER, a capable qualified Accountant aged probably 27-37 with strength in the preparation of period and statutory accounts to tight deadlines, monitoring group cash flow, preparing forecasts and controlling

These positions which both report to the FINANCE DIRECTOR should attract SELF-CONFIDENT and CAPABLE people. The company offers such individuals the unusual opportunity of obtaining five years' experience in nearer 18 months in a stimulating environment.

Please apply to:

GEORGE D. MAXWELL, Managing Director ACCOUNTANCY APPOINTMENTS EUROPE 1-3 Mortimer Street, London W1 Tel: 01-580 7695/7739 (direct) 01-637 5277 ext. 281/282

Accountancy **Appointments** Europe.

## **Chief Accountant**

c.£24,000 + car

major international group, is the largest distributor in its particular field of activity. It is profitable and expanding.

We are looking for a professionally qualified Accountant, to be responsible to the Divisional Managing Director and the Group Financial Director for the entire financial and management accounting function. You will head a team of around 20, develop and monitor the financial control systems and, because of considerable export activities, be involved in foreign exchange transactions.

Our client, an operating division of a This is a very responsible position and. as a member of the Executive Committee, you will be involved in the overall management of the division's affairs. This post offers the opportunity of a Board appointment in the future but you must have high professional standards and the personal qualities appropriate to a senior management position.

> Ideally aged 28-40, with 3-5 years' in commerce and industry; experience of export procedures would be a considerable advantage,

Please write, in strict confidence, enclosing CV and quoting ref. 350 to Douglas Atkins

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Management & Recruitment Consultants, 19 Britton Street, London ECIM SNQ, ... Tel: London (01) 250 0003.

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This position offers:

- An audit 'consultancy' role, working extensively on non-routine

- Opportunity to act as an advisor in the design phase of new products and

- The possibility of immediate managerial responsibility, for strong candidates.

25-35% travel, mainly to Europe, and possibly to the USA.

Ideally, candidates will be qualified accountants, trained with a 'Big 8' firm. At least one year's post-qualifying experience in an E.D.P. audit or consultancy environment is essential. Non-accountants with a strong E.D.P. audit background in the banking sector may be considered. Candidates must possess strong interpersonal skills as members of the department are considered on their potential for rapid promotion into banking positions.

Interested candidates should contact Kevin Byrne on 01-588 6644 (lines open until 7.15pm on Thursday 17th April) or write enclosing a detailed Curriculum Vitae to the Address below. All applications will be treated in strictest confidence.

Bank Recruitment Specialists 127 Cheapside; London EC2V 6BU Anderson, Squires

## **European Consultants**

S.W. London based

to £20,000 + car

Our clients are an international organisation providing highly successful products and services to industry. As individual companies are left with considerable independence, a small high-calibre team is being set up to analyse operations and disseminate effective ideas throughout the Group. The role, therefore, involves reviewing all aspects of the business such as marketing projects, inventory control and product rationalisation. European operations are based in most of the capital cities and will involve about 50% away travel in 2-3 week spells with the opportunity to return home each week-end. Occasional trips to the U.S.A. and Canada are also envisaged. Applicants (male/female) should be Chartered Accountants aged around 30 who have a working knowledge of French and the potential to take on a Controllership role in 2-3 years. Ref. 1620/FT, Send c.v. (with telephone numbers) or write or phone for an application form to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).



Selection Consultants

London SW1 c.£17.000 + car British multinational industrial group with £100m + turnover seeks exceptional CA/ACA to be responsible to the group controller for central financial and performance reporting, covering board packages, group consolidations and related variance analysis with computer assistance.

Current developments in group affairs and systems offer accelerated prospects. Candidates must be chartered accountants aged say 23/28 with first class professional experience involving major audit clients. They must have the personal qualities appropriate to dealing with controllers of subsidiaries and be

highly competent technically. For full job description, write in confidence to Mark Lockett at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet these requirements, quoting

O O John Courtis and Partners O

## Internal Alditors

£18,000-£25,000 + Car London & North West

This major international engineering Group is about to enhance the role of its internal audit function and therefore wishes to recruit two qualified accountants. aged about 30 with recent internal audit experience to manage the extension of internal audit throughout the Group.

Internal audit is seen as a key activity in the Group's continuous drive to create an efficient and control conscious environment. The aim of these appointments is to ensure adequate audit coverage across the Group, to set internal auditing guidelines and to conduct audits and special investigations primarily at the Group's manufacturing locations.

Applicants for both positions should be sufficiently experienced, selfmotivated and mature to play a significant role in managing this new programme. Whilst based respectively in London and North West England, there will be extensive travel in the UK and overseas. Commencing salary will be individually negatiated between £18,000–£25,000 per annum + car. There is a relocation package on appointment if necessary.

Please apply in confidence, quoting ref. L 233 to:

Brian H Mason Mason & Nurse Associates 1 Lancaster Place, Strand London WC2E 7EB Tel:01-2407806

Mason

## **Finance Director** (designate)

c£35,000 + car etc\_ S.W. London

Relational Technology Inc (RTI). developer of INGRES, the full function relational and application development system, has established its European Headquarters in London. To take account of recent and very impressive growth in Europe, there is now a need to recruit a Finance Director-designate of positive commercial and dynamic approach to assist the VP International Operations with the company's future

European development programmes. Reporting and working closely with the VP International Operations, the successful applicant will, and in addition to total responsibility for the implementation and co-ordination of

effective accounting, budgeting and financial planning for the UK Company. participate fully, as part of a small, but highly professional management team in determining corporate policy and commercial strategy.

Applicants aged 30 to 45 must be Chartered Accountants who can demonstrate significant commercial flair and interest in the future development of computer technology. Their previous experience must have included responsibility for a growing and progressive finance function and the ability to participate effectively in

business decision making. The importance of this appointment is reflected in an extremely competitive remuneration package which will include profit share and stock options etc. A salary of not less than £35,000 pa is envisaged and the designatory period of not more than 12 months may be waived for the right applicant.

Candidates can apply in confidence enclosing a full CV and current salary and quoting reference MCS/7191 to Michael R. Andrews: Price Waterhouse

Management Consultants **Executive Selection Division** Southwark Towers 32 London Bridge Street London SE1 9SY

Price Waterhouse



**ACCOUNTANCY** 

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## Systems Development & Control management of change

#### **Central London**

With the introduction of major new systems our substantial financial services client needs to strengthen its control function in one of its largest business areas.

This is an important position coordinating development of new accounting systems with control of existing ones. Emphasis will be on development, appraising new systems to ascertain feasibility for Lloud further application and designing end user systems.

from £20,000 + mortgage

Applicants should be qualified accountants aged c28:35, strong communicators with systems experience, preferably gained in the financial sector. Career prospects in this well known group are

Please write with full career details and day time telephone number to David Tod BSc FCA aucting ref: D/387/WF Management



## **Newly/Recently Qualified Accountant** omson North Sea Limited

As part of the long established and highly profitable International Thomson Organisation, Thomson North Sea represents the oil interests of the Group's diverse activities. With a successful the Group's diverse activities. With a successful track record of North Sea activity over the last sixteen years, it enjoys substantial production revenue from the Piper and Claymore fields. Given the ongoing development of the Balmoral and Scapa fields, the Company now needs to recruit a newly/recently qualified Accountant to join its finance team in Lordon. finance team in London.

With a turnover in excess of £400 million, your responsibilities will be diverse and will offer wide scope for creativity. You will prepare management and financial accounts, budgets and forecasts, and

be closely involved in tax compliance, systems development and financings.

In your 20's and ideally a graduate you may have up to 2 years' experience. You will work closely with a small team of professionals, enjoying a relaxed yet busy atmosphere and communicating with colleagues at all levels.

Prospects for personal advancement and career development are excellent and an attractive, competitive salary and benefits package is

In complete confidence, please ring or write with CV to Carmina Leon Ogle or John Diack of Gripps, Sears & Associates Ltd. 88/89 High Holborn, London, WCIV SLH. Tel: 01-404 5701

Cripps, Sears

## **Assistant Tax Manager Leading US Oil Company**

c £25,000 + prestige car Central London

Our client, the UK subsidiary of a leading US oil company, is a major operator in the North Sea with an active and successful programme of exploration currently under way. The Central London tax department enjoys a high profile within the organisation, advising on all aspects of UK taxation and handling both UK and US compliance work. Due to a recent promotion, the department is now seeking an Assistant Tax Manager who will play a key role within its young,

Reporting to the Tax Manager – UK and North Sea and deputising for him when required, you will have responsibility for co-ordinating the preparation of PRT returns and negotiating settlement of these with the Oil Taxation Office. Additionally, you will provide high level tax planning advice to operating departments and management, and will have active involvement in a variety of projects. Your duties will also involve attendance at meetings with partner companies, the inland Revenue and oil industry organisations.

The need is for a accountant (ACA or ACCA) with at least five years' post-qualification experience in all aspects of UK taxation, gained within a leading professional practice or a major oil company. This should include around two years' exposure to PRT and corporation tax. Above average communication skills, an appetite for responsibility and the ability to use initiative are the personal qualities required.

Salary will be for discussion around £25,000, and you will have a choice of prestige car. Benefits are of the level to be expected from a leading, successful company. This senior appointment will appeal to high achievers who can benefit from the training and

career progression opportunities our client can offer. Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ian White ref. B.2412.

> HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW.

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Company, established six years ago, successfully and profitably imports.

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present employee Strength around 40.

Now sought, reporting to the owner/ M.D. is a **qualified accountant**, probably aged 28-55 and with import based trading,

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Excellent neg salary/bonus + car

Benefits include private medica: insurance and negotiated relocation expenses. A successful appointee will be considered for a more senior role in due course within this expanding company. Ust mide Profitable growth continues, with

Candidates, male and female, please write to David T Sentley, Senior Consultant, 3i Consultants Limited, 5 Victoria Street, Windsor, Berks SL4 1 EZ. hour answer service), for further details and an application form, quoting reference DB/592.

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N.Q. £17-22,000 Senior level up to £35,000 plus full bank benefits

We are assisting 2 major international banking groups in the development of their Financial Management function. Both organisations are involved in an important re-alignment of their products and services to maintain competitiveness in post 'Big-Bang' financial markets. In their respective trading and marketing functions (concerned particularly with treasury, capital markets and merchant banking activities) both banks "lead from the front".

The complexity of accounting and reporting issues in this type of environment has created a number of new positions at varying levels. At newly qualified level there are openings in financial analysis and advanced systems development. For senior Financial Managers, with experience in audit or financial control within banking, the chance exists to move into senior controllership positions for specialist divisions within each bank.

> Interested candidates should contact Kevin Byrne or Felicity Hother on 01-588 6644 flines open until 7.15pm) or write enclosing a detailed c.v. to the address below. All applications treated in confidence.

Anderson, Squires Ltd., Bank Recruitment Specialists

127 Cheapside, London EC2V 6BU Anderson, Squires

## International HQ - Young Chartered Accountant

S.W. Essex

to £20,000 + car

Our clients are a commanding international force in a modern industrial sector. The Group Accounts Department is a small high-calibre team with access to a fully electronic system for processing and validating financial data. The team's contribution therefore centres on the provision of financial information for the board, high-lighting key data and identifying areas for further investigation. They are also involved in the on-going development of the data base accounting systems. The experience and management exposure which the department provides have made it a regular source of candidates for career development into the operating subsidiaries and this appointment arises from just such a promotion. This is an exceptional opportunity for a graduate Chartered Accountant trained by a major professional firm to establish a "blue chip" base for a career in industry. Ref. 1625/FT. Send cw. (with telephone numbers) or write or phone for an application form to R.A. Phillips, ACIS. FCII. 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours). Our clients are a commanding international force in a modern industrial sector. The Group

Phillips & Carpenter-Selection Consultants

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British Credit Trust is one of Britain's leading Finance Houses. It is a Licenced Deposit Taker and is actively engaged in the consumer and commercial credit market.

A three year period of substantial business development together with the establishment of an integrated Corporate Head Office in Slough has created an exceptional opportunity for a qualified Accountant to make a significant contribution to the Company's future development plans.

Reporting to a Director you will be responsible for all the Company's internal and external financial accounting systems, procedures and reporting requirements. The successful applicant will be qualified, aged 30-40 with several years commercial experience preferably in the instalment credit industry.

A very attractive salary together with a quality Company car, preferential mortgage, non-contributory pension and private health insurance will be offered. Relocation assistance will be available if necessary.

Please write or telephone for an application form giving full c.v. details to:-

P.R.H. Preston, Personnel Manager, British Credit Trust Limited, British Credit House, High Street, Slough, SL1 1ED. Tel: 0753 73211.



A Bank of Ireland Company

GROUP COMPANY SECRETARY DESIGNATE

An uncompromising qualified company secretary is required by an old established Group of Companies based in Wiltshire, turnover £125 million. Initially to understudy present secretary who will be retiring. Experience in company acquisitions and stock exchange and USM flotations an advantage. Must have experience of dealing with turnover in excess of £10 million, preferably higher. Excellent salary and package negotiable subject to experience.

Please reply in strict confidence enclosing full c.v. to: Company Secretary. Box A0114, Financial Times. 10 Cannon Street, London EC4P 4BY

#### FINANCIAL CONTROLLER

## MANAGEMENT ACCOUNTANT

Excellent starting salary plus car allowance, mortgage subsidy and other important benefits Brighton

Our dient is the systemsbased subsidiary of a major American financial organisation. Newly established in the United Kingdom. they now wish to recruit a young, energetic recently-qualified Accountant

Responsibilities cover the day to day running of all accounting functions; for example budgetary control expense control general bookkeepingandforwardfinandalplanning. An ability to liaise with other managers and retain their confidence is important. Previous involvement on the investment side would be extremely useful.

Ϊ́

This new appointment is a particularly interesting one Reporting directly to the U.K. Managing Director, it offersine opportunity to develop a completely new function within a dynamicand professional environment. Benefis include car allowance morrgage subsidy pension scheme and life and medical assurance

. Please write with full cx in complete confidence to: Activance Recruitment Services Limited 49 The Martiets Civic Way, Burgess Hill, West Sussex RHIS 9NW. Tel: Burgessi # (044 46) 42302



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Celltech has in five years become a world leader in biotechnology. We have facilities that allow the ma production of monoclosed antibodies and along with our many other to join a dynamic Company which achievements we are set to

e me vesim cale mon We now have a vacancy for a bright young graduate, ideally a Life Scientist, who has recently completed, or is about to complete, final accountancy examinations. You will be responsible with your staff for providing accounting information which will assist managers in the formulation of policies and in the planning and control of the operations of the Company. Specific duties will include preparing forecasts, capital and revenue expenditure budgets, cash flow projections, and providing a broad range of financial support services to the operating divisions of the

Company A primary responsibility will be the ongoing development of contract and production costing systems.

This is an exceptional opportunity

operates at the forefront of science, in a TAMIL DIOVICE VOLUMILI SOUNC financial experience and allow you to further develop your commercial and management skills.

Please send a commehensive CV to David Thomas, Manager, Human Resources and External Relations, P.S.A.S. 100A High Street, Slough, Berkshire, SLI IHL, quoting reference number 308.



## Chief Accountant

#### Gloucester

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This is an ideal opportunity for a capable, talented, ambitious Chartered Accountant to take on the challenge of a senior role within a highly successful UK service industry leader.

The company were acting for is a subsidiary of a major international PLC which employs 850 staff and has an annual turnover of some £200 million. Our client is growing steadily yet rapidly on a very firm ase; the person appointed will be responsible for heading a professional team of 45 and, reporting to the London-based Financial Director, providing a crucial interface between the autonomous accounting function and senior management.

Excellent salary + car

To cope with the task, candidates should be aged 28-35 with proven managerial ability and at least 2 years' commercial experience. Well developed communication skills are essential; familiarity with computerised accounting procedures is desirable.

In addition to the attractive salary and generous benefits package — which includes a car, 4 weeks holiday and pension. - prospects for personal growth within this dynamic environment are outstanding.

To be considered for this exceptional opportunity, please send a compre-hensive c.v. to: Helen Chaffey, Saatchi & Szatchi Recruiment, 80 Charlotte Street, London WIA IAQ.

SAATCHI& SAATCHIRECRUITMENT

## Chief Accountant

Surrey/Hampshire Border

Neg £17,000+Car

computerised accounting and staff management. A knowledge of construction-related business would be Hy Client, a multimational engineering group, are organising part of their UK operations. Plans call for excelling part of their UK operations. Plans call for excelling part of their UK operations. and control for a £30M contracts business.

The Benefits are comprehensive including relocation with excellent career prospects locally and in Europe.
To find out more, phone me, Robert Hughes, Personnel Consultant, on 0483-275666 during office hours (or 01-394 0816 evenings and weekends). Alternatively, send me your CV quoting ref. no. 17786.

planning. Candidates will be qualified, commercially-aware. Accountants, aged over 25, experienced in.

playa key role in the Company's development.

They seek a Chief Accountant able to provide

financial leadership, develop accounting systems and

Smithbrook Kilns, Cranleigh. Surrey GU6 8|L

## Finance Director

## London

## £22,000 + bonus + Car

Our client is a highly profitable service and manufacturing company, turnover c £5m, that has recently been acquired by a substantial pic. The company is now going through a period of significant change and the newly appointed Chief Executive seeks to strengthen financial and general

agement controls throughout. A Finance Director is now sought to effect these changes which will include the development of financial reporting and total automation/computerisation of management information. The role will require the individual to be part of the senior management team in implementing future strategy of the

Candidates will be graduate qualified accountants in their early 30's whose significant professional and operational experience will combine to provide a General Management outlook. Maturity, leadership and emhusiasm are vital.

Please write enclosing a full curriculum vitae quoting ref 103 to: Philip Cartwright FCMA, 97 Jermyn Street, London SW1Y 6JE.



FINANCIAL SELECTION AND SEARCH

#### FINANCIAL CONTROLLER

#### ACA or equiv. aged 26-33 neg. c. £23-25,000+car

Our client, based in NORTH LONDON, seeks a tough, able problem-solver with drive and stamina to act as FINANCIAL CONTROLLER with primary responsibility for the smooth running of the day-to-day accounting operation of a £50m annual turnover multi-branch RETAIL operation.

Reporting to the FINANCE DIRECTOR, the successful candidate should have good communicative and other inter-personal skills and be adaptable in order to assist with the upgrading and sophistication of the existing accounting systems to a background of continuing expansion of the

Planning and organising the work of a significant proportion of the accounts department of nearly 40 demands good man-management and supervisory

Whilst relevant RETAIL EXPERIENCE would be a considerable plus, all-round PERSONAL EXCELLENCE will be the deciding factor. CAREER PROSPECTS ARE SUPERB and a full RELOCATION package in available where appropriate.

Please apply to:-GEORGE D. MAXWELL Managing Director ACCOUNTANCY APPOINTMENTS EUROPE 1-3 Mortimer Street, London W1 Tel: 02-580 7695/7739 (direct) 01-637 5277 ext. 281/282



MERCK & Co. Inc., the leading U.S. pharmaceutical company (Sales \$ 3.6 Billion), offers a career opportunity to an interested financially oriented professional. Initially, the successful candidate will join the International Audit Department located in Brussels as a (m/f)

MSD **MERCK** SHARP& DOHME

## INTERNATIONAL INTERNAL AUDITOR

for approximately 2 to 3 years (50% travel, mostly within Europe). Upon completion of this assignment, the individual is normally promoted (90% success history) into the managerial ranks of the company's European subsidiaries.

In order to continue our excellent record of people and promotions, the candidate must have a University degree (preferably Master's level), be fluent in at least three languages (including English) and have a minimum of 3 to 4 years of solid professional experience. Interested parties can reply in total confidence (include c.v.) to: Mr. Georges Van Acker, c/o MERCK SHARP & DOHME, chaussée de Waterloo 1135, B-1180 Brussels (Belgium). A rewarding career lies ahead.

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W٥

## BankAmerica achieves first-quarter turnround

BY PAUL TAYLOR IN NEW YORK

BANKAMERICA, the second big-gest banking group in the US, man-positive results of the group's cost strategic push into merchant bankaged to return to profitability during the first quarter sided by sharply lower loan charge-offs. However the San Francisco group, the latest which represented 1.23 per cent of earnings of which were still 45 per earnings of which were still 45 per average loan outstandings during cent down on the year ago period, the period on an annualised basis, said it would again omit its quarlerly 20 cents a share dividend.

Among other big US banking groups to report their first-quarter earnings yesterday. Bank of Bos-ton, the 14th largest in terms of year-end assets, posted a higher earnings gain, while Republic New York, the 33rd largest, said profits

ter was in line with Wall Street estimates even though it still fell far

trous 1985 fourth quarter when the nai quarter level. group posted a \$178m or 1.27 a Bankers Trust. cover \$527m in net loan charge offs.

America's president and chief executive, attributed the turnround to a significant reduction in the level

BY WILLIAM HALL IN NEW YORK

ecutive, said worldwide soft drink

riod rose 15.7 per cent to \$1.25.

reduction programme.

"We are encouraged by the reduction in the level of loan charge-offs compared with 1.91 per cent during all of 1985," Mr Armacost said.

revenue fell by 4 per cent to \$985m from \$1.024m a year ago, while noninterest revenues grew by 15 per cent to \$461m from \$401m. Most crucially, however, Bank-

America said its provision for loan rose by 11.5 per cent.

BankAmerica's earnings of S63m

S262m, up 25 per cent from the or 31 cents a share in the first quar- \$209m in the year-ago period but 56 per cent lower than in the 1985 fourth quarter. BankAmerica said short of the S114m or 63 cents a the year-on-year increase reflected share posted in the year-ago period. higher net loan losses which in-Despite the year-on-year earn- creased by 16 per cent to \$257m ings decline, the latest results rep- from \$221m a year earlier but were resent a rebound from the disas- \$270m below the staggering 1985 fi-

Bankers Trust, the eighth largest share net loss after making a \$591m US banking group, reported a 25 come to \$115.9m or \$1.64 a share Mr Samuel Armacost, Bank- from \$92.5m or \$1.37 a share a year

of loan losses compared with the crease in non-interest income re- or 14 cents a share

the first quarter and operating in- tional drinks operations. Volume and operating income declined

positive impact of the fall in the dol-

drink unit volume and higher re- rose 11 per cent and Latin Ameri- marily because the company an-

sults from the group's entertain- can volume rose 20 per cent. In the ment and foods businesses, operat- Pacific Coca-Cola's soft drink vol- three-for-one stock split.

come rose 17 per cent to \$260.3m. rose 14 per cent and operating in-slightly in the first quarter.

ing, partly offset by an increase in

Non-interest income tose 66 pe cent to \$238.2m from \$4.6m a year ago fuelled in part by higher trading account profits and commis-sions and trust and custodial income. These factors were partly off-BankAmerica said its net interest set by lower gains in investment evenue fell by 4 per cent to \$985m securities and a decline in foreign exchange trading income.

Net interest income remained "essentially flat" at \$265.4m. The group's provision for loan losses fell to \$40m from \$45m a year earlier while net charge-offs fell to \$17m from \$27.4m a year ago. At the end of the quarter the group's loan-loss reserves stood at \$450.6m or 1.78 per cent of total loans compared to \$381.6m or 1.59 per cent a year ago. Non-performing loans fell to \$729m from \$806m at the end of the previous quarter and \$731m a year ago.

Meanwhile, Continental Illinois, the 12th largest US banking group rescued from near failure almost two years ago with the help of a fedloan loss provision - largely to per cent gain in first-quarter net in- erally sponsored bail-out parkage, has reported continued slow progress towards recovery.

ago. The Chicago-based group posteu
Mr Alfred Brittain, chairman, atfirst-quarter net earnings of \$40.1m tributed the improvement to an in- or 14 cents a share, up from \$39.3m

seas was not reflected in the

group's home market where it faces

fierce competition from Pensi-Cola

its arch rival. North American soft

drinks volume increased 2 per cent

\$107 in early trading yesterday, pri-

Coca-Cola lifts income by 14%

the debt rescheduling plan signed by Dome and its creditors just more than a year ago which stretched debt repayments to 1995. Dome received an average oil price of CS34 a barrel in 1985. But each CS1 a barrel fall in oil prices costs the company C\$20m in cash flow and C\$9m in

has been reduced from C\$259m to

debted western Canadian energy company, Sulpetro, has announced a suspension of dividend payments series of ne Sulpetro, with debts of about CS470m, said it "is experiencing severe cash flow restraints."

## Merck rises 20% in 4 first quarter

COCA-COLA, the US soft drinks ing income benefitted from a US ume rose 9 per cent.

group, said the falling dollar played dollar that was about 27 per cent

a key role in the 14.2 per cent rise in weaker against selected key foreign

Mr Roberto C. Goizueta, chief excompared with a year ago.

Coca-Cola's earnings continued to

shipments increased 9 per cent in be fuelled by its important interna-

Earnings per share in the latest pe- come grew still faster due to the

In addition to increased soft lar. Volume in Europe and Africa

first-quarter net income to \$161.2m. hard currencies in the first quarter

By Terry Dodsworth in New York MERCK, one of the leading US pharmaceuticals groups, achieved a 20 per cent rise in first-quarter prof-its, helped by the weakening of the US dollar and an upswing in unit volume sales. Earnings after tax amounted to

\$157.8m or \$2.25 a share against \$131.5m or \$1.83 a share in the same period of last year, while sales jumped to \$921.1m from \$856.3m. The company said the results reflected rapid acceptance of two new products in the US, which had previously been introduced abroad -Primaxin, an injectable antibiotic,

and Vasotec, which helps reduce blood pressure.

Sales outside the US jumped to 46 per cent of the group's total in the quarter against 40 per cent in the 1985 period, but an 8 per cent favourable effect on turnover from the weakening of the US dollar was offset by the adverse impact of the sale of two subsidiaries, Calgon Carbon and Baltimore Aircoil.

## Océ ahead again

OCE, the Dutch copier group which increased earnings by a fifth last year, reports further good profits progress despite lower sales, writes

our Financial Staff. Net profits rose to F1 15.4m (\$5.9m) for the three months ended February, 1986 from F1 13.2m a year earlier. Turnover dipped from FI 489m to FI 462m, held in check by disposals and the weakness of the

Last year Oce turned in higher net profits for the fourth year running, lifting the total to Fl 77.4m. It stepped up the dividend by Fl 1 a share to Fl 10.

## Merrill Lynch boosted by Wall Street activity

first quarter of this year to achieve 56 per cent increase in earnings.

Net income, at \$86.8m, or 85 cents share, jumped from \$55.6m, or 58 ents, in the same period of last vear. The results were the highest n 2½ years and were struck after a \$17.3m charge for possible losses from the default of an overseas

Revenues rose by 37 per cent to a record \$2.17bn from \$1.59bn, with evenues from commissions, princi-

MERRILL LYNCH, the leading US Merrill Lynch asset management securities group, profited from the subsidiary had \$88bn in assets un-surge in Wall Street activity in the der management, a 33 per cent growth in the past 12 months.

and Mr Daniel Tully, president credited the company's performance to a broad range of factors. These included "the unprecedented strength and activity in the securities markets, the substantial increase in customer financial assets being handled by Merrill Lynch, the heavy demand for mutual funds, a record level of mergers and acquisipal transactions and asset manage-ment fees all setting new records. in home sales by our residential By the end of the first quarter, the real estate units."

## **Bowater Inc suffers** first-quarter decline

BY OUR FINANCIAL STAFF

BOWATER INC, the US forest products group spun off in 1984 from Bowater of the UK, has suffered a sharp fall in first-quarter net profits from \$15.1m or 51 cents a share to \$5.2m or 11 cents.

The decline partly reflects a \$3.4m after-tax charge connected with the expansion of coated paper oroduction at Catawaba, South Carolina. Sales fell from \$216m to creased by 36 per cent in the first quarter, although profits fell from \$790,000 to \$444,000. production at Catawaba, South Carolina. Sales fell from \$216m to

price discounting and reduction of ing income on the newsprint side fell from \$24.2m to \$14.3m.

the company to fall by 5 per cent from a year earlier. Operating profit in this sector fell 25 per cent to

In market pulp, prices remained lower than a year earlier, and the segment suffered a \$211,000 loss compared with profits of \$930,000. Sales of computer forms, an area

Mr Anthony Gammie, chairman and chief executive, said: "With the and the benefits to be achieved from our newsprint modernisation

print, where Bowater is the largest improved US economy, the contin-US producer. Consequently, operat-ued lower value of the US dollar, Oversupply in the US coated-paper market also caused prices for the lightweight grades produced by year continues."

## Apple trebles profits in quarter

TO BY PAUL TAYLOR IN NEW YORK

APPLE COMPUTER, the west coast US personal computer maker, posted fiscal second quarter net earnings of \$31.8m or 50 cents a share, more than triple the year-ago level of \$10m or 16 cents a share. The earnings gain, which was in line with the company's forecasts last month, came despite a 6 per count desired in color which follows cent decline in sales, which fell to \$408.9m from \$435.3m a year

cent ahead of the S56.1m or 91 cents a share earned in the same period last year.

The computer group, which has been aggressively cutting its work-force and other costs while expanding research and develops spending, noted that first half 1966 earnings already exceeded the \$61.2m or 99 cents a share it earned earlier.
Apple attributed its improved performance to sharply higher cal first helf earnings ending March cal first helf earnings ending March 28 to \$88.7m or \$1.40 a share, 58 per in the whole of its 1985 fiscal year.

ter and 53.3 per cent in the fiscal cent a year earlier.

"The company's performance meets our expectations," said Mr John Sculley, chairman and chief

Improved operating efficiency and a favourable proportion of high margin sales continue to enhance our financial stability. New prod-ucts have been particularly well received and our development efforts

## Oil price forces cuts at Dome **Petroleum**

DOME PETROLEUM, the debt-laden Canadian energy producer, has cut its capital budget by 44 per cent and plans to reduce its head office staff by one-eight as part of a financial and operational restructuring forced by lower oil prices.

The Calgary company played down recent reports of disagree-ments with and among its 56 lenders on their response to its recent proposals to curtail interest and principal payments on its CS6.3bn Mr Howard Macdonald, chair-

man, said: "We are having our differences in these discussions but this is a matter of parties working problem. It is not a confrontation." According to local reports mem-bers of a consortium led by Citibank, one of the largest creditors, have discussed the sale to Conoco, the US oil company, of some of the assets they hold as security on Dome loans.

Dome also announced several changes to the interest and principal deferral plan, which it has threatened to implement unilaterally if creditors do not endorse it by the end of this month. While the original plan was to be in force for 14 months from May 1, Dome has now advanced the termination date to October 28 with provisions for an extension to February 28 next year.

Deferred interest and principal payments will not become due then but will be covered by a long-term plan still to be negotiated. The strong volume growth over-

These arrangements supersede net income.

Coca-Cola shares rose by \$21/4 to Dome said its 1986 capital budget

Meanwhile, another heavily in-

#### French banks to charge for cheques

By David Marsh in Paris FRENCH BANKS are preparing to

introduce cheque service charges for customers to offset the fall in their credit revenues caused by low er French interest rates. The banks have been pressing

with increasing vigour for several years to win approval from the Finance Ministry for the principle of making clients pay for cheques.

The banks' umbrella organisa

tion, the Association Française des Etablissements de Credit, grouping all the big commercial banks as well as co-operative, savings and mutual institutions, has now reached agreement on bringing in initial charges towards the end of this year.

The large French banks with widespread retail networks have come under considerable pressure from falling interest rates. These are now in danger of sinking to lev-els which fail to compensate them for the cost of collecting retail funds estimated at about 8 per cent of their total deposits.

Processing cheques costs the banking system about FFr 15bn (\$2bn) a year – roughly twice the combined profits of the commercial

#### Efim shows improvement By James Buxton in Rome

EFIM, the third and smallest of Itanies, last year achieved a marginal

improvement in its results.

The holding company, which controls subsidiaries in such fields as aluminium (MCS), glass (SIV), helicopters (Agusta), rolling stock (Breda) and missiles (Oto Melara), made a loss of L456bn (\$289m) on sales which totalled L5650bn, tak-

ter-group sales. In 1984 Efim lost L548bn on consolidated sales of L4355bn. Its net debt fell slightly from L3928bn at the end of 1984 to L3525bn at the

end of 1985. market conditions in the fields both of aluminium and helicopters, which had offset the improvements made in the actual running of these

Jonathan Carr assesses the West German bank's interest in loss-making group

## Deutsche focuses on Eurasbank

burg-based European Asian Bank (Eurasbank) has proved a costly embarrassment to its four embarrassment to its four shareholders, notably Deutsche Bank which has a 60 per cent stake.

It was disclosed this week that the owners are having to pump DM 300m (\$136.3m) into their troubled holding for 1985 to help cover possible loan losses in South-east Asia. Last year a similar rescue operation for 1984 was mounted by the four, which include Creditanstalt-Bankverein of Austria, Société Génerale de Banque of Belgium and the Amsterdam-Rotterdam Bank of the

Netherlands. At the time it was (vainly) hoped that the initial aid action, bolstered by management and other changes. would be enough to cover Eurasbank's problems.

This may seem an odd moment for Deutsche, West Germany's biggest bank, to announce it is raising its stake to 75 per cent and would like to gain full ownership. After all, last year alone Eurasbank "cost" the Deutsche some DM 230m, including DM 75m for Philippines risk exposure which Deutsche has taken on to its own books from the

ply spell more trouble? Part of the answer is that it

might. However, full ownership would allow Deutsche to tighten its control and watchdog functions, possibly heading off future mis-

Deutsche only acquired its major-ity stake in 1983 when three of Eurasbank's former owners in the Ebic group (European Banks Interna-tional) - including Britain's Midland Bank – gave up their holdings. For the decade before that all seven owners had had equal stakes and individually - restricted influence Moreover, despite all its difficult-

ies, Eurasbank has a proud tradi- both this week. tion (its origins go back to the Deutsch-Asiatische Bank of the last century) and a powerful base throughout the South-east Asian region. With about 1,500 staff and of-fices in 15 large centres from Pakistan to Korea, it generated a busi-

ness volume last year of DM 9bn.
For Deutsche that represents an exciting potential in an area where it is trying hard to boost its presence most recently with its move to open a capital markets subsidiary

ownership of Eurasbank in the near to say what that was.

future. The German bank has Mr Offen said the recession probfuture. The German bank has reached agreement to buy out the

Deutsche's view is "we can wait." There remains the key questions of how Eurasbank came to suffer such a debacle, and how certain is it had not been optimal. that the institute is now on the right course. Mr Hans-Henning Offen, who took over as chief executive in a top management reshuffle

last year, sought to give answers to He said external factors in particular had been responsible, especially the unprecedented economic region. A year ago he and his colleagues had underestimated the length and depth of the recession. and this was the reason a further big sum in risk provision was

needed for 1985 as well as 1984. The funds were not, in the main, calling again on its owners to cover risks on new business over Deutsche Bank in particular will be the last year but to increase the pro- watching carefully to see that this vision on business taken on earlier. time that pledge is kept.

doubt clear to Creditanstalt-Bank loan loss provision in the 1985 reverein too, which is why Deutsche port but this was not necessarily may find it hard to achieve full the full total and the bank declined

lems had been intensified by the Dutch and Belgian partners, but the bank's "homemade" errors. A Austrian bank seems to want to "sense for risk" had dwindled in the Austrian bank seems to want to "sense for risk" had dwindled in the stay on with a stake of 25 per cent. swift expansion of the 1970s and early 1980s and management information about and control of the bank's far-flung branch network

For the future, Mr Offen said Eurasbank had put more effective employees in key positions "on the front," tougher control procedures had been introduced and the bank was being much more selective about the business it undertook (one reason, along with currency changes, for the fall in business volrecession in the South-East Asian ume last year to DM 9bn from DM 11.6bn). Operating profit was also

down - by 27 per cent to DM 101m. As far as possible all risks had been taken into account and Eurasbank would in future be able to put up the necessary provision without

#### Nationale-Nederlanden Aga to buy outstanding 44% stake in Tresor

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

company, is to dissolve the cross- Aga estimates its offer to be ownership ties between itself and worth about SKr 270 per Tresor company, is to dissolve the cross-Tresor, the investment company in which it holds about 56 per cent of at around SKr 190 at the beginning the equity.

a holding of 7.7m convertible debentures in Aga, became part of the Aga concern as a result of the group's takeover of Uddeholm, the tooling steel and hydropower company, in 1985.

Tresor is offering shareholders the right to buy the company's hold-ing of Aga shares at the price at cent of Tresor shares once the pur- share.

AGA, the Swedish industrial gas chase rights have been detached. share. Tresor shares were trading of April but had jumped to SKr 240 Tresor, the main asset of which is before trading was suspended on

> Tresor shareholders will be offered a dividend of SKr 5 per share. They will also be offered one Aga restricted and three Aga B restricted shares at respectively SKr 125 SKr 117 per share for every three Tresor shares held....

which they were acquired. Aga will
then buy the outstanding 44 per

The purchase rights are estimated to be worth SKr 115 per Tresor The purchase rights are estimat-

## raises dividend payout BY LAURA RAUN IN AMSTERDAM

NATIONALE-Nederlanden

The Netherlands' largest insur-1984, largely on the life insurance would rebound. lines and on investments. The non-life insurance operations lost F1 to F1 17.3bn last year from F1 17.6bn

subsidiary.

was Net income would have grown 10 hurt by foreign currency fluctua- per cent if exchange rate effects tions last year, with earnings rising and consolidations were excluded a relatively modest 4 per cent and The drastically lower American and revenues falling 2 per cent. The div- Canadian dollars particularly put idend, however, was raised by FI pressure on the results, More than 0.13 to FI 2.40 (\$0.96) on a capital-adhalf of Nationale-Nederlanden's income comes from abroad.

The Hague-based insurer predictance company reported that net ed that profit per share this year profit increased to FI 603m would at least equal the FI 5.73 (\$241.2m) in 1985 from FI 579m in achieved in 1985 and that revenues

66.6m, up fractionally from losses of in 1984 as income from life insur-FI 60m in 1984, due to the termina- ance premiums fell nearly 8 per tion of activities in the Amias cent and from non-life insurance 1.5 per cent.

This announcement appears as a matter of record only.

**NEW ISSUE** 



Electricité de France Japanese Yen Bonds—Fifth Series (1986)

> 30,000,000,000 Japanese Yen 5.9% Bonds due 1996

guaranteed by the

## Republic of France

The Nikko Securities Co., Ltd. The Nomura Securities Co., Ltd. Yamaichi Securities Company,

Daiwa Securities Co. Ltd.

Kokusai Securities Co., Ltd.

Cosmo Securities Co., Ltd.

Universal Securities Co., Ltd.

National Securities Co., Ltd.

Ichiyoshi Securities Co., Ltd.

Mito Securities Co., Ltd.

Morgan Stanley International Ltd.,

Kidder, Peabody & Co. Incorporated,

The Chiyoda Securities Co., Ltd.

The Nippon Securities Co., Ltd.

Utsumiya Securities Co., Ltd.

Hinode Securities Co., Ltd.

Kyoritsu Securities Co., Ltd.

Itogin Securities Co., Ltd.

**Banque Paribas** 

Kleinwort Benson International Incorporated,

The Nippon Kangyo Kakumaru Securities Co., Ltd. Merrill Lynch Securities Company,

Wako Securities Co., Ltd. Tokyo Securities Co., Ltd. Dai-ichi Securities Co., Ltd.

Taiheiyo Securities Co., Ltd. S.G. Warburg, Rowe & Pitman, Akroyd (Japan) Inc., Toyo Securities Co., Ltd. Kosei Securities Co., Ltd.

Meiko Securities Co., Ltd. Vickers da Costa Ltd., Drexel Burnham Lambert (Asia) Inc. Ryoko Sccurities Co., Ltd.

Takagi Securities Co., Ltd.

Towa Securities Co., Ltd.

Baring Brothers & Co., Limited

Manufacturers Hanover Limited

Crédit Commercial de France

Daitò Securities Co., Ltd. Chuo Securities Co., Ltd. ing into account L760bn worth of in-The Tachibana Securities Co., Ltd. Crédit Lyonnais

Efim said it had faced difficult

New Japan Securities Co., Ltd. Smith Barney, Harris Upham International Incorporated,

Sanyo Securities Co., Ltd. Okasan Securities Co., Ltd. Yamatane Securities Co., Ltd. Goldman Sachs International Corp.,

Marusan Securities Co., Ltd. Maruman Securities Co., Ltd. The Izumi Securities Co., Ltd. Jardine Fleming (Securities) Ltd.,

The Kaisci Securities Co., Ltd. Okatoku Securities Co., Ltd. Nichiei Securities Co., Ltd. Naigai Securities Co., Ltd.

Kvokuto Securities Co., Ltd. The Shinyei Ishino Securities Company, Limited Hiraoka Securities Co., Ltd. Yamamaru Securities Co., Ltd.

> Banque Nationale de Paris Caisse des Dépôts et Consignations

County Bank Limited Kredietbank S.A. Luxembourgeoise Morgan Grenfell & Co. Limited Société Générale

Swiss Bank Corporation International Limited

Generale Bank

March 1986

All of these securities have been sold. This announcement appears as a matter of record only.

March, 1986



## FRIES ENTERTAINMENT, INC.

\$30,000,000

71/2% Convertible Subordinated Debentures Due 2006 Interest Payable on April 1 and October 1

The Debentures are convertible into Common Stock of the Company at any time prior to maturity, unless previously redeemed, at \$12.25 per share, subject to adjustment in certain events.

L. F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

All of these securities have been sold. This announcement appears as a matter of record only.

March, 1986



## FRIES ENTERTAINMENT, INC.

225,000 Shares

Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

## James Crean plc

has acquired

Freezer Queen (a division of United Foods, Inc.)

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to James Crean plc.

Kidder, Peabody & Co.
Incorporated

#### US \$30,000,000

Floating Rate U.S. Dollar Negotiable Certificates of Deposit Due 29th May, 1987 Callable at the issuers option on the 30th May, 1986

The Taiyo Kobe Bank, Limited



In accordance with the terms set out in the Certificates Taiyo Kobe Bank Ltd. have elected to exercise their call option. The Certificates will therefore mature on the 30th May 1986 and payment will be effected on the principal amount plus interest at 8,5% p.a. at Taiyo Kobe Bank Ltd..

Merrill Lynch International Bank Limited

-1.412 9.229 12.600 10.689 6.084 8.540 6.607 9.990 US Dollar Australian Dollar 14.630 12.640 7.350 9.950 7.330 11.932 13.162 10.764 -0.544 -1.654 1,171 Canadian Dollar 6.219 8 540 Euro Currency Unit 0.015 -0.429

## Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V. ON 14th APRIL, 1986 U.S. \$125.84

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam

#### AIBD BOND INDICES

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## INTL. COMPANIES & FINANCE

## Westpac's thrust for global role

financial markets.

The original decision to move offshore reflected the group's perception in the late 1970s that the cosy and closed world of Australian banking would soon be upset by financial deregulation, which would include the party of favoirs hanks into the entry of foreign banks into the

Market.

Already the biggest private banking enterprise in Australia, Westpac—then called the Bank of New South Wales—still lacked the size and stature to assault the international markets. This result was the 1982 merger with the Commercial Bank of Australia. This step gave it greater access to the southern state markets in Australia and the overall financial horse-power to fulfil the next nhase of its expansion

The merger at a stroke added A\$13bu (US\$9.3bn) to total assets, leaving them at A\$31.3bn at September 30 1982. By the close of its 1985 financial year Westpac's total assets came to A\$49.15bn, a level which would make it the tenth largest bank in the IIS

The bank's drive to maintain or increase its merged market share left it as the biggest domestic banking operation. Last September's figures put Westpac ahead even of the giant Commonwealth Bank, the government-owned institution which draws its main strength from its disproportionately large savings bank operation.

Two Emirate

strong earnings

IN SPITE of recession and bad debts, some banks in the United Arab Emirates reported surprisingly strong earnings. Others reveal the strains of current market conditions

conditions. National Bank of Dubai

(NBD), a long-established heavyweight, had predictably

heavyweight, had predictably good results for 1985. It now has assets of more than \$50n, up from its 1984 figure of \$4.50n, deposits \$3.570n and loans and advances of \$337m, after provisions. Profits were up to Dh 374.9m (\$102m) in 1985 from 1984's figure of Dh 349m. The board has proposed the now customary 40 ner cent dividend. Reserves

per cent dividend. Reserves have doubled to Dh 1bn.

Bank of Credit and Com-merce (Emirate) (BCCE), hased in Abu Dhabi, has also reported good results. Founded in 1982, the bank is

an offshoot of Bank of Credit

By Angela Dixon in Dubai

banks show

WESTPAC BANKING Corporation's decision to purchase the rump of the Johnson Matthey gold banking operation fits with the group's thrust to internationise its activities and to find specialist niches in the world's financial markets.

The original decision to move offshore reflected the group's perception in the late 1970s that the cosy and closed world of Australian banking would soon be upset by financial deregula
By the last financial year-end with 23.8 per cent share of the domestic savings which also fits with a domestic approach which has seen the office relationships in Australia.

Westpac has also spread itself of the sale spread itself overseas to watch the new competition in the provision of international services to the increasingly outward-looking and the ANZ (15.1 per cent). Australian corporate client base, an approach which has been assisted by the reciprocity to foreign groups last year. This has seen Westpac move to branch status in Tokyo and —have provided finance for dend the ANZ (15.1 per cent). an approach which has been he remainder of the market assisted by the reciprocity to foreign groups last year. This has seen Westpac move to branch status in Tokyo and

## Lachlan Drummond looks at the international ambitions of Australia's biggest bank group

fore the expansion began.

growth. It came third in Euromoney's recent survey of foreign exchange dealers and has taken part in more than half of the recent deluge of Australian dollar Euromarket issues. That capital markets role fits with its plan for developing niches in world markets having achieved a maior kets, having achieved a major part of its strategy of becom-

tic front and laying an international base from which to build. Westpac has pursued its moved to branch status in overseas loan portfolio, which now accounts for roughly one-quarter of its total trading bank assets, or close to \$6bn compared with only some \$1bn besone Singapore.

Hong Kong while in non-recination with a status in status in providing a practical status in Singapore.

Hong Kong while in non-recination with a status in status in status in status in Singapore.

We Street Fowler who re-

Mr Stuart Fowler, who re-The bank has also pursued cently moved from head of in-non-balance sheet related ternational and corporate bankternational and corporate banking to chief of the bank's retail
operations, says the bank has to
be a "very efficient" provider
of financial services in
Australia. "The whole idea is
to consolidate our base in
Australia as a major universal
provider of financial services.
Overseas we will not necessary to
discernable through the balance
sheet. While balance sheet
growth and profit growth were
once synonymous, newer
ing conditions have greatly reduced the interest-free portion
of the deposit base, new enof the deposit base, new enof the banking scene are Overseas we will be a niche provider; we can't be Citibank, yet."

Part of that niche-filling role

ing a provider of part of the Part of that niche-filling role higher-yielding investment global, headquarters banking will be served from the John-avenues are opening up to in-requirements of the multi-son Matthey purchase, a move vestors.

bank move to a leading position in gold trading.

Mase-Westpac, the gold trading arm, has provided considerable help in getting off the ground many of the new gold mine developments which have proliferated in the past two years. The loans of gold to budding producers — with the gold soldon to provide development cash—have provided finance for development with repayments drawn from bullion production. The interest rate

drawn from bullion production. The interest rate ky generally worked out at around 3 per cent for the producer, with Mase-Westpac picking up additional dealing and transaction income and gaining a link to physical output from the new producer to which it has lent gold. Tying in with Johnson Matthey, to be merged into Mase-Westpac, gives it access to the exclusive London gold market. In Australia the move ket. In Australia the move partly represents an opportunist diversion of the talents of its expert resources lending team.

Westpac's overall Australian thrust is to be big and compettitive in all fields, although it admits that retention of market share will not necessarily be discernable through the balance fighting on price, and at the same time, more sophisticated, higher-yielding investment

## Cathay stake for fund managers

BY DAVID DODWELL IN HONG KONG

Cathay Pacific Airlines shares

and Commerce International (BCCI), owned 40:60 by the parent company and by Abu Dhabi nationals. Profits last year doubled to Dh 48.86m The group's two present owners — Swire Pacific with

TO THE REPORT OF THE PARTY OF T

INVESTORS IN INDUSTRY GROUP PLC. Inc. in England under the Companies Acis 1948 to 1967, Reg. No. 1142630

£,75,000,000 Floating Rate Notes 1994 For the three month period 15th April, 1986 to 15th July, 1986. In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 10½ per cent,

per annum and that the interest payable on the relevant interest payment date, 15th July, 1986, against Coupon No. 7 will be £1368.90 from Nores of £50,000 nominal and £130.89 from Notes

S.G. Warburg & Co. Ltd. (Agent Bank) CERTOR—MOTO ECHOLOGIC DE LA BANCIO DE LA BANCIO

LLOYDS EUROFINANCE N.V. Copies of the Audited Accounts of Lloyds Eurofmance N.V. for the year ended 31 December 1985, are now available from:

year doubled to Dh 46.96m (\$12.8m). Assets rose by 13 per cent to Dh 4.193bn from Dh 3.71bn in 1984, while customer deposits rose 17 per cent to Dh 3.037bn.

By contrast, the National Bank of Umm al Quwain, formed in 1982, and capitalised at \$68m, showed a 19 per cent drop in profits, a 43 per cent reduction in customer deposits and a 56 per cent fall in loans and advances. Nevertheless a 5 per cent dividend was voted.

A GROUP of Hong Kong fund large — calling for funds of tutional support, and felt the management houses is to be about HK\$880m. tutional support, and felt the management houses is to be allotted one-third of the 398m which are to be offered to the public next week in the biggest flotation mounted in the territory.

operates as Hong Kong's de facto flag carrier, are to be offered at \$3.88 apiece. This values the company at HK\$10.3bm (\$1.28bn), and gives its shares a prospective

placement, making a total of

a 70 per cent holding, and the Hongkong and Shanghai Bank-

are to be given preference for up to 10 per cent of the public offering. This means that about 226m shares will be available to the public at

Complaints that too large a proportion of the offering is Shares in Cathav, which

and

ing corporation, with 30 per cent — will dilute their hold-ings in equal proportion under the terms of the offer. This will leave Swire Pacific with 54 per cent, and the Hongkong Bank with just over 23 per Employees in Cathay Pacific

being made available for insti-tutional investors have been rebuted by Cathay's financial Baring I advisers, Baring Brothers and yesterday. Wardley. They argue that no offering of this size has been mounted in Hong Kong, that the institutions would anyway have been major bidders for shares, and that a "blue chip"

HK\$10.3bn (\$1.28bn), and gives its shares a prospective price stroke earnings ratio of 10.3. The group is forecasting after-tax profits for 1986 of at least HK\$1bn,

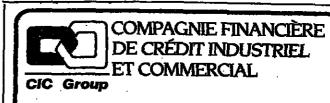
In addition to the public offering of 15 per cent of the airline's shares, three prominent Hong Kong companies are each to take up offers of a 2.5 per cent stake in the group. Cathay will thus raise HK\$1.55bn through the public offering, and a further HK\$1.55bn through the private PK\$775m from the private placement, making a total of tion is of subscription. is of massive over-

In the context of such volatility, the company had been keen to ensure stable insti-

arrangement is analogous to that in the UK for Cable and Wireless, one adviser from Baring Brothers commented

"Even after the special arrangements, this is still a larger cash call on the Hong mounted before," he added. The fund managers being

Whampoa, are two of the groups to be offered a 2.5 per cent holding in Cathay. Another local property group, Hysan development, is the third.



Consolidated financial statements as at December 31, 1985

Consolidated net income for 1985 was satisfactory. Consolidated balance sheet items, denominated in french francs, little varied in 1985 : indeed the increase of operations in french francs was offset by the fall of operations in foreign currencies, due to the depreciation of the US \$. Thus total assets amounted to 266.7 billion of FRF at the end of 1985. against 267.7 billion at the end of 1984.
Shareholders' equity of CIC Group, including consolidated net income of the year, but excluding minority interests, increased from 3,718 million of FRF to 4,895 million of FRF. Consolidated income of the Company varied as

Year ended December 31	1984 (a)	1985 (a)	1985 (b)
Net revenues from banking operations and other revenues.	10630	11314	1495
Income after operating expenses .	2461	2639	349
Current consolidated net income	316	420	56
Cons. net income Group share	278	641	85
Minority interests	121	208	. 28

71 LOMBARD STREET, LONDON SC3P 2BS

THE SECRETARY, LLOYDS BANK PLC

THE FINANCIAL TIMES is proposing to publish a survey on

## MOBILE **COMMUNICATIONS**

May 7th 1986

For further information please contact:

NINA JASINSKI

on 01-248 8000 ext. 4611 **FINANCIAL TIMES** EUROPE'S BUSINESS NEWSPAPER



(Inarpareed in the Kingdom of Normery with limited liability)

U.S.\$100,000,000

Floating Rate Subordinated Notes Due October 1997

Notice is hereby given that the rate of interest has been fixed at 71/16% and that the interest payable on the relevant Interest Payment Date October 17, 1986 against Coupon No. 2 in respect of US\$10,000 naminal of the Notes will be US\$359.01 and in respect of US\$250,000 naminal of the Notes will be US\$359.01 and in respect of US\$250,000 nominal of the Notes will be US\$8,975.26 April 17, 1986, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

## INTL. COMPANIES & FINANCE

## Caterpillar back in profit for first quarter as \$ declines

BY TERRY DODSWORTH IN NEW YORK

CATERPILLAR, the world's lead- vamped its production facilities to bility while still allowing its proding earth-moving equipment manufacturer, swung back into substanfacturer, swung back into substanfrom Komatsu of Japan. Among
Labour costs were still committed to the committee of the commi

amounted to \$111m, or \$1.13 a share, against a loss of \$70m in the same period of last year. Sales in rency considerations. Caterpillar said the stocks of \$1.74bn from \$1.48bn and would have been even higher if the company had enough product to meet the demand.

INVESTMENT AB BEIJER

ANNUAL GENERAL MEETING

The shareholders in investment AB Beiler are hereby called to the Annual General Meeting of the Company, to be held at the Concert Hall, Hötorget 8, Stockholm (Sweden) at 4.00 p.m., Monday, May 12, 1986.

MATTERS TO BE CONSIDERED

Matters to come before the Meeting, as prescribed by law and the Company's Articles of Association, shall include:

adoption of the Income Statement and Balance Sheet as well as the Consolidated Income Statement and Consolidated Balance

auditors and deputy auditors; request that the Annual General Meeting may authorize the Board of Directors to decide - within

certain limits - on the issuance of new stock and/or debentures.

series B share for five old series A shares. It is proposed that the new shares be unrestricted shares.

Holders of options are reminded that utilization of option rights for subscription of shares must be completed at the latest ten

REGISTRATION IN THE SHAREHOLDERS' REGISTER. In order to take part in the Annual General Meeting of Investment

AB Beijer, shareholders must be registered in their own names at the Swedish Securities Register Centre (VPC) by May 2, 1986, and must also notify the Company of their intention to participate.

To permit shareholders to participate, shares registered in the names of nominees must be temporarily re-registered in the names of shareholders themselves. Several banking days should be allowed for re-registration to be effected.

REGISTRY FOR PARTICIPATION

Notification of participation in the Annual General Meeting may

be given:

- By telephone, by calling int+46 8-14 34 70 (direct number) or via the investment AB Beijer switchboard, int+46 8-22 84 60.

- By mail, addressed to investment AB Beijer, Box 7343, S-103

Notification must be received by the Company not later than Wednesday, May 7, 1986, at 12.00 noon, which is deadline for

In providing such notification, the shareholder should state his or

PROXY
Shareholders wishing to appoint a proxy to participate in the

business of the Meeting on their behalf should notify the

her name, personal (registration) number (witere appscable); A address and telephone number.

Company well in advance of the Meeting, giving the name of their proxy. A proxy need not be a shareholder of investment AB

DIVIDEND

The Board of Directors and the Managing Director have proposed a dividend of SEK 8 per share, of which SEK 5.75 will be paid this year and the remaining SEK 2.25 will be paid in connection with the Annual General Meeting to be held in 1987.

The 15th of May, 1986, is proposed as the record date for the first

Istituto per lo Sviluppo Economico

dell'Italia Meridionale

Sveimer

U.S.\$75,000,000 Floating Rate Notes due 1989

In accordance with the provisions of the Notes notice is hereby given that for the six month Interest Period from April 17th 1986 to October 17th 1986

the Notes will carry an Interest Rate of 11.00% per annum.
The Coupon amount payable on Notes of
U.S. \$10,000 & U.S. \$100,000 will be U.S. \$559.17 & U.S. \$5,591.67 respectively. Reference Agent Bank

Italian International Bank Plc

dividend payment. Registered shareholders can expect payment through the VPC beginning 23 May, 1986.

days before the Annual General Meeting to have right to

participate in the bonus issue.

90 Stockholm, Sweden.

- 797 34

The Board of Directors proposes a bonus issue of one new

Sheet; disposition of the profit as shown in the Balance Sheet

adopted, discharge of the Board of Directors and Managing Director from liability; and the election of Board members.

stion of the accounts and annual report for the year 1985;

tial profits in the first quarter after these factors were continued cost down with total employment in the heavy losses in 1985. The result reflects the sharp decline in the from inventory reductions account 54,100. Caterpillar also sounded a deline

company had enough product to meet the demand.

Caterpillar listed a number of comes after four years of bough operating conditions when it retailed to raise prices and achieve higher currency exchange gains. Foreign exchange profits alone totalled \$50m against only \$11m a year ago and analysts said the decline of the dollar had given the company greater pricing flexi-

Labour costs were still coming

dealer inventories were expected to continue to grow in the second quarter, helping boost company sales during this period.

#### 'Credit watch' on oil groups

By Our New York Staff

STANDARD & POOR'S, one of the leading credit rating agencies in the US, has placed four large oil companies in its "creditwatch" category. The move underscores the harsh impact of falling oil prices on the US energy business.

S & Ps move puts a question mark over the current high ratings of the debt of the companies concerned, although the agency added that in most cases any change that it eventually introduced would be

Its decision affects \$17.5bn in securities issued by Atlantic Richfield, Chevron, Mobil and Union Texas Petroleum. In early February, the agency placed more than \$7bn worth of debt in oil and oil service

## Offer for Hiram Walker dropped

TRANSCANADA Pipelines, the Canadian pipeline transmission group, has withdrawn its C54.1bn (USS2.93bn) offer for control of Hiram Walker Resources, the spirits and energy group which has been at the centre of Canada's most costly takeover battle.

But TCPL left open the question of whether it intends to return to the bidding against Olympia & York, the property and resources company, and Guif Canada. O&Ys 80 per cent-owned subsidiary.

The offer being withdrawn by TCPL was for all Hiram common shares including convertible pre-ferred stock and warrants, at a price of CS36.5 a share. Shortly after TCPL announced its offer last week, O&Y improved its previous bid, to CS38m a common share and CS34 for each first series class D preferred shares.

O&Y, which together with its allies already controls 26 per cent at Hiram's voting shares, plans to make its tender offer on Canadian stock exchanges on April 23.

Hiram has strongly resisted O&Y's advances, but quickly wel-comed TCPL's offer. As part of efforts to foil O&Y, Hiram has agreed to sell its liquor division to Allied Lyons, the British food group, for C\$2.6bn.

O&Y and Gulf Canada initiated the struggle for Hiram on March 19 with a partial bid for a 38 per cent voting interest at CS32 per common share and C\$28.63 per class D

## GTE earnings rise 4%

BY OUR NEW YORK STAFF

GTE, the US telecommunications group which is undergoing a far-reaching reorganisation, achieved a 4 per cent increase in profits in the

Net income rose to \$283m, or \$1.29 a share, against \$273m in 1985 when earnings per share were the same because there were fewer shares outstanding. Sales were up by 8 per cent to 54bn from \$3.7bn a by 8 per cent to 54bn from \$3.7bn a

vear ago. The rise in earnings came despite a continuing drain on profits from continuing.

Operating income in the group's business which is still operating income in the group's business which is still operating independently in advance of the new 15 domestic and three international joint venture announced recently telephone companies, rose slightly with United Telecommunications. to \$692m from \$690m, while reve-Sprint lost \$52m at the operating mues grew by 6 per cent to \$2.5bn.

level, nearly double the deficit of

year ago. Mr Theodore Brophy, chairman said that in the communications products division the group's earnings increased sharply, generating operating income of \$27m against a loss of \$11m a year ago.

The previously announced discussions with Siemens of West Gerin the network switching and trans-mission equipment business were

telephone business, which inc

## Northrop income falls

BY OUR NEW YORK STAFF

NORTHNOY, the US senspace and territors from \$33.0m, and the setback in the first quarter of this company said it intended spending year mainly due to continuing de-\$200m this year on the aircraft year mainly due to continuing de-

cents a share, a decrease of almost 14 per cent from the \$45.5m, or 98 nts a share, achieved in the same

NORTHROP, the US aerospace and current earnings, rose in the quar against \$189m in 1985.

velopment spending on the F-20 against \$189m in 1985.
Tigershark fighter programme. Higher sales in the quarter were
Net income fell to \$39.3m, or 85 attributed to increased deliveries of parts for various defence programmes and Boeing 747 airliners along with higher sales of electronperiod of last year. Sales, however, ic countermeasure equipment, autowere up by 18 per cent to \$1.3bn matic test products and navigation and midance materials. The burning from \$1.1bn. and guidance materials. The busi-Spending on the Tigershark, ness backlog was up 12 per cent to which is being written off against \$4.31bn from \$3.86bn.

O. HIDLEMAN BREWING

MTERNATIONAL MULTIFOODS Foods, hakery supplies

First guerter

1986 8 2,295 254.7m 2,93

1986

\$ 298.4m 7m 0.27

1985-85 1964-85

1985-86 1984-85

353.3m 6.9m 0.85

1985 \$

2.21bn 274.3m 2.80

1985 \$

192.6m 28.2m 0.93

1985

289m 5.2m 0.20

\$ 311.9m 6.8m 0.13

## U.S. quarterly results

ALLIS-CHALITERS Process, meterials band	log eqpt.	·	AMERIC Talecom
Piret querter	1986	1985	First q
Regardie	4,710	214,9m 51,8m* ed	Revenue Net profi Net per s
operations.			placetine Filiat p

Notice of Redemption

## DART & KRAFT FINANCE N.V.

11% Per Cent Guaranteed Bonds due March 1, 1989 in the Aggregate Principal Amount of 7,000,000 Kuwaiti Dinara

Redemption Date: May 20, 1986 Redemption Price: 101% of Principal Amount

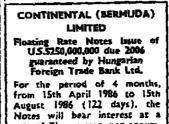
NOTICE IS HEREBY GIVEN to the holders of the 11% Per Cent Guaranteed Bonds due March 1, 1989 (the "Bonds") of Dart & Kraft Finance N.V. (the "Company"), a wholly owned subsidiary of Dart & Kraft, Inc., that, pursuant to the provisions of the indenture dated as of March 1, 1982 (the "Indenture") among the Company, Dart & Kraft; Inc. and Citibank, N.A., Trustee, the Company has elected to redeem (as an optional redemption and not for the sinking fund) all the outstanding Bonds on May 20, 1986 (the "Redemption Date") at a redemption price of 101% of the principal amount thereof. Payment of the redemption price, together with accrued interest from March 1, 1986 to the Redemption Date in the amount of KD25.785 for each KD1.000 principal amount of the Bonds, which will aggregate KD1.035.783 (or each KD1.000 principal amount of the Bonds, will be made on or after the Redemption Date upon KD1,000 principal amount of the Bonds, will be made on or after the Redemption Date upon KD1,000 principal amount of the Bonds, will be made on or after the Redemption Date upon presentation and surrender of the Bonds, together with all coupons appertaining thereto maturing after the Redemption Date, at the offices of any one of the Paying Agents set forth below. The Bonds will no longer be outstanding after the Redemption Date, The redemption price, together with accrued interest from March 1, 1986 to the Redemption Date, will become due and payable upon each Bond on the Redemption Date, after which interest on the Bonds shall

PAYING AGENTS Kuwait International Investment Co. s.a.k. Al Salhaia Commercial Complex. 5th Floor, Block 1 P.O., Box 22792 Kuwzit

Kredietbank S.A. Luxembourgeoise 43 Boulevard Royale Luxembourg

Societe Generale de Banque Montagne du Parc, 3 B, 1000, Brussels, Belgium DART & KRAFT FINANCE N.V.

Dated: April 17, 1986



rate of 71 per cent. per annum

The payable interest due 15th August 1986 for each nominal Note of U.5.\$250,000 will be

U.S.\$6,036.46.



(Investment Company with variable capital) 23 Nassaulaan, 2514 IT The Hague (Netherlands)

1985 DIVIDEND

At the Annual General Meeting of Shareholders held on 16th April, 1986 the dividend for the financial year 1965 was fixed at Dfl. 10.00 in cash per ordinary

An interim dividend of D.1. 4.75 was distributed in September, 1985. The final dividend of D.1. 5.25, less 25 per cent dividend withholding tax, will be payable from 25th April, 1986 on presentation of

Dividend coupons may be presented at Pierson, Heldring & Pierson N.V., Aigemene Bank: Nederland N.V., Cooperatieve Centrale Raffeisen-Boerenleenbank B.A., Bank Mees & Hope NV, Credit Lyonnais Bank Nederland N.V., Kempen & Co. N.V. in Amsterdam, The Haque, Rotterdam and Urrecht, in so far as there established, or at the offices of Morgan Grenfell & Co. Limited, 72 London Wall, London ECZM SNL.

Revorder of the Board of Management

By order of the Board of Management The Hague 17th April, 1986

U.S. \$100,000,000



#### Allied Irish Banks plc

Floating Rate Notes Due 1992 Subordinated as to payment of principal and interest

Interest Rate

17th April 1986 17th October 1986

7% per annum

Interest Period Interest Amount per

U.S. \$10,000 Note due 17th October 1986

U.S. 5355.83

Credit Suisse First Boston Limited Agent Bank



U.S. \$100,000,000



Collateralized Floating Rate Notes Due 1992

interest Rate

615/16% per annum

Interest Period

17th April 1986 17th October 1986 Interest Amount per

U.S. \$100,000 Note due 17th October 1986 U.S. \$3,526.56

Credit Suisse First Boston Limited



## State Bank of India

US \$30,000,000

Negotiable Floating Rate Dollar Certificates of Deposit due 1987

In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 17th April to 17th October 1986 has been established at 7%, per cent per annum.

The interest payment date will be 17th October 1986. Payment which will amount to US \$8,975.26 per Certificate, will be made against the relative

Bank of America International Limited

U.S. \$100,000,000

#### **MCorp** A Momentum Company

Floating Rate Notes Due 1992

Interest Rate

615/16% per annum

17th April 1986

U.S. \$17.54

Interest Period

17th July 1986

17th July 1986 Interest Amount per U.S. \$1,000 Note due

Credit Suisse First Boston Limited

Agent Bank

This announcement appears as a matter of record only.



U.S. \$100,000,000

#### The Seagram Company Ltd. (Incorporated under the laws of Canada)

81/2% Bonds due 1996

Issue Price 100%

Wood Gundy Inc.

Deutsche Bank Capital Markets Limited Union Bank of Switzerland (Securities) Limited

Algemene Bank Nederland N.V.

Bank Leu International Ltd.

Banque Bruxelles Lambert S.A. Banque Nationale de Paris Dresdner Bank Aktiengesellschaft

Mitsubishi Finance International Limited

Orion Royal Bank Limited

Banque Internationale a Luxembourg S.A.

Standard Chartered Merchant Bank Banca del Gottanio

**Bank of Montreal** The Bank of Nova Scotia Channel Islands Limited

**Banque Indosuez** 

Bank Mees & Hope NV

Crédit Commercial de France

Dominion Securities Pitfield

HandelsBank N.W. (Overseas)

**Daiwa Europe Limited** 

Hill Samuel & Co. Limited The Nikko Securities Co., (Europe) Ltd.

Salomon Brothers International Limited **Toronto Dominion International Limited** 

Bank of Tokyo International

BankAmerica Capital Markets Group Bankhaus Hermann Lampe

Banque Générale du Luxembourg S.A. Banque de Neuflize, Schlumberger, Mallet Bayerische Hypotheken- und Wechsel-Bank

> County Bank Deutsche Girozentrale Great Pacific Capital S.A.

LTCB International

Merck, Finck & Co. Sal. Oppenheim jr. & Cie. PK Christiania Bank (UK) Ltd.

Schooller & Co. Bankatternpeelle be Schweizerischer Hypotheken- und Handelsbank Vereins- und Westbank

Westdeutsche Genossenschafts-Zentrulbank e G.

Credit du Nord

Genossenschaftliche Zentralbank AC

Norddeutsche Landesbank

Sumilomo Finance International

Westfalenbank

S. G. Warburg & Co. Lld. Yamatchi International (Europe)

April 1986

Berliner Bank

Crédit Lyonnais

First Chicago

Hessische Landesbank

Midland Doherty

Société Générale

Prudential-Bache Securities International

Chemical Bank International Group

Kleinwort, Bonson

## INTERNATIONAL COMPANIES and FINANCE

## Three-year dollar bonds find favour BNP plans

هكذامن الدُّجل

medium-dated end, little is sacrificed in coupons received.

LTCB International launched a \$200m ? per cent three-year hond for General Electric. issued by the parent company. The hond is extendible at the borrower's option in 1989, at which point the coupon may be refixed though investors may also put the bond. Fees were 1) per cent, and the lead manager said the bond was trading around this level.

Swiss Bank Corporation launched a three-year bond, also with a coupon of 7 per cent. The issue amount was \$150m and the lead manager SBC International. The bond pro-International. The bond provided at issue a spread of only 20 basis points over US Treasury bonds, although this bond matures in 2001. Final terms should be fixed on April the coupon will be

72 per cent over its three-year fees yesterday afternoon. life and at issue gave a spread In the conventionally

Kong dollar and the US unit, time.

measure late in 1983 to bring

introduced as an emergency Piers Jacobs, has not given any

measure late in 1983 to bring sign that he intends to abondon stability to what was then a beleaguered currency, "has was not personally associated created as stable a monetary environment as is obtainable in speculation that the

environment as is obtainable in
Hong Kong's circumstances,"
Sir John Brennridge, the terriThe Hong Kong dollar is

Sir John Bremridge, the terri-tory's Financial Secretary. The Hong Kong dollar is claimed yesterday. The Hong Kong dollar is linked to the US dollar at a rate of HK\$7.80. At the time it

His comments, made in a speech to members of the Hong Kong Association of Banks, were seen as an attempt to was established, with political and economic uncertainties rocking the foundations of the economy, the linkage mechanism brought welcome stability.

NEW BORROWERS continued to rush to the dollar Eurobond market yesterday. Many issues seemed to fare better in early dealings than did those launched earlier this week. Some benefited from being priced before New York markets opened; when they did, US Treasuries moved sharply higher. Other new issues owed their success to the relative rarity of their structures.

There were three dollar issues of three years maturity. There and Lazard issues of three years maturity. These attract lavestors because they have scarcity value and because, with the flattening of the yield curve at the short and medium-dated end, little is sacrificed in coupons received. early next week. The bond is callable from June next year at 106 per cent, and then at

> The bond was quoted at a bid price of 104 per cent. A small \$30m convertible

declining premiums.

issue was launched for Granges
Exploration, the Canadian
minerals company. Hill Samuel
led the deal, which has a 15year life. The indicate coupon is 7½ to 7½ per cent and conversion premium 15 to 20 per cent. The bond will be callable from 1987. The bond had been extensively pre-subscribed and. like Pearson's issue, it traded

above issue price.
Air California issued another vided at issue a spread vided a bid price vided Goldman Sachs brought a 12 per cent. PaineWebber led \$200m issue for Ford Motor the deal, and quoted a bid price Credit to the market. This pays of 99½, well within 23 per cent

Bremridge defends HK\$ linkage

THE LINK between the Hong after he retires in two months' US dollar has weakened, sug-

Sir John's successor, Mr

led the deal, which was trading at a discount equivalent to the per cent fees yesterday afternoon.

Morgan Guaranty led a \$100m for Westpac, the Australian bank. The coupon was set at 8 per cent which, with a price of 100½ and a 10-year life, gave a spread of 90 basis points over Treasuries yesterday morning.
This looked fairly geerous compared with the deals that surfaced later in the day.

John Hancock Mutual Life of the US issued a \$100m 71 per cent 10-year bond late in the day. Salomon Brothers International was lead-manager. This bond is callable after seven years at 101 per cent, and then at declining

In the seven-year maturity area, Swiss Bank Corporation International brought a \$150m 71 per cent deal for Electrolux. priced at 100½. This was bid at the full 1½ per cent fees yesterday afternoon.

the Hong Kong unit should be allowed to float upwards.

The weakening of the Hong Kong dollar, in line with the US unit, has aided Hong Kong's export competitiveness, but has

made its imports—particularly those from Japan—much more expensive. Sir John also defended the

interest rate cartel operated by Hong Kong's retail banks, which

imposes uniform interest rates for all bank short-term deposits

speech to members of the Hong Kong Association of Banks, were seen as an attempt to ensure that the link is retained But in recent months, as the speech to members of the Hong rocking the foundations of the of less than HK\$500,000. This advantages outweigh the pruhas been criticised recently for ism brought welcome stability. "feather-bedding" the retain advantages." The answer to this question was clearly no," he said.

rather aggressively priced in a market still suffering from an overhang of paper.

Union Bank of Norway and Landesbank Schleswig-Holstein launched Australian dollar bonds, the first of A\$160m for 10 years and the second of A\$30m for five years. The deals were led by CIBC and Orion Royal Bank. Coupons were zero and 123 per cent respectively. and 121 per cent respectively.

One new Ecu bond was launched for Ford Credit Australia. The Ecu 40m issue has a coupon of 6; per cent and life of five years. Banque Paribas was lead-manager. In the D-Mark market, trading was quiet and nervous, although prices moved up late in the day with the improvement in

New York. There was one deal, of DM 250m for Union Oil of California. The bond has a 12-year life and coupon of 6; per cent. Dresdner Bank led the swap-driven issue.

Swiss franc bonds also saw life and at issue gave a spread In the conventionally-dated There was a \$15m five-year mixed trading in moderate of 75 basis points over compararea of the dollar Eurobond issue for Kyowa Densetsu, the volume.

> agreement, and for encouraging agreement, and for encouraging an exodus of funds into foreign currencies. More than half of Hong Kong's money supply (as measured by M3) is now in

He insisted that the agree-men tprevented "cut-throat and

imprudent competition on interest rates among banks," adding: "One should ask not whether it puts grit into our

system—it does—but whether it impedes the adjustment mechanism to such an extent that the macro-monetary dis-

foreign currencies.

## share issue By David Marsh in Paris BANQUE NATIONALE de Paris, the biggest French nationalised bank, is prepar-

non-voting

novel

ing for future privatisation through an issue planned for later this month of at least FFr 2bn (\$272) in non-

reast FFF 200 (32/2) in non-voting shares (certificates d'investissement or CIs). The issue will break new ground by testing the Paris equity market for non-voting shares which, unlike all the similar launches made up to now by nationalised enter-prises, do not give holders the right to preferential divi-dends.

In accord with the French Treasury, ENP is hoping to be able to convert CIs held by private investors into full voting shares once the legisla-tive basis for privatisation has been put into place by the new Right-wing government.

The main state-held banks and companies which have issued Cls up to now—Societe Generale, the Paribas and Suez financial groups Rhone
Poulcuc and Pechiney—have
all given private shareholders
the right to higher dividends than their state shareholder. All these groups foresee eventual privatisation partly

by giving CI holders voting rights. But the preferential aspect of these securities is likely to make some investors reluctant to give up their extra income in return for voting rights, and thus could place a barrier in the way of denationalisation.

The BNP issue could be raised to FFr 3bn if market

response warrants it, a bank spokesman said yesterday. Details of the launch are likely to be given in about a week's time when BNP also announces its results for 1985. BNP tapped the Paris capi-tal markets in 1984 to build up its capital backing through a FFr 1.8bn issue of non-voting loan stock (titres participatifs). Banks over the last year have concentrated on issuing CIs as these give the chance of hringing genuine private equity into their capital and are less expensive to renumerate than

#### Stock futures contracts for Japan

By Yoko Shibata in Tokyo THE OSAKA Stock Exchange has drafted a plan to establish Japan's first stock futures contracts, in which investors will trade a package of 50 stocks at prices equivalent to

stocks at prices equivalent to the simple average of the issue's prices.

The OSE will file for Ministry of Finance approval for the plan after adopting it formally at a board meeting on April 23. The MOF in turn will refer it to the Securities and Exchange Council in May and Exchange Council in May, and the OSE hopes to start futures trading before the end of this year. The OSE scheme envisages

futures contracts of three, six nine, 12 and 15 months with price change of 3 per cent. The minimum guarantee which investors will have a deposit with a securities house is set at 9 per cent house is set at 9 per cent of the contract value, though this will rise to 18 per cent if the investor trades only one unit of the package.

The package of 50 stocks will be traded at the simple average price because the Securitles at 1 Exchange Law does not permit trading in

does not permit trading in stock indexes not backed with actual stocks. The OSE is also considering the introduction of stock-index futures at a later date.

#### Caterpillar back in the black

By Terry Dodsworth in New York THE SHARP decline in the US dollar over the past year has made a pronounced impact on the financial performance of Caterpillar, the world's leading earth moving equipment manufacturer, which swung back into substantial profits in the first quarter after heavy losses in quarter after heavy losses in

1985. Net income for the three months amounted to \$111m or \$1.13 a share, against a loss of \$70m in the same period of last year. Sales increased to \$1.74bn from \$1.48bn. SWISS FRANC
STRAIGHTS
Avon. Cep., Cpn. 5'v 84
130
8r. Land Comp. 6'2 99
75
1104, 101103, -1004, 105
Council of Europe 6 92
Council of Europe 6 93
Council of E Caterpillar listed several reasons for its recovery, which follows four years of tough operating conditions during which it has completely revamped its production facilities to cope with intensitying competition from Komatsu of

Japan. Among these factors were continued cost reductions and increased benefits from and increased beneats from inventory reductions accounted for under the last in—first out (Lifo) system of accounting.
Other elements in the improvement, however, were clearly tied to currency considerations. Caterpillar said that its sales volume had risen and it had been able to raise prices and achieve higher currency exchange gains. Foreign exchange profits alone totalled

\$50m. against only \$11m a year

## France plays safe over foreign exchange rules

FRANCE HAS decided to move only gradually towards liberalising exchange controls in the wake of the devaluation of the franc in the European Monetary System earlier this

Yesterday's official announcements easing restrictions on companies in their commercial and investment transactions abroad, however, will give French corporate treasurers further leeway to make use of a growing battery of dealers' instruments to lessen their exposure to foreign exchange risks. Banks and securities dealers

have been disappointed -

though not surprised — that the new Right-wing Government has not yet formally phased out the devise titre system brought in by the pre-vious Socialist administration in 1981, which imposes a pre-mium on French residents' purchases of foreign securities. The premium — apart from a slight flare-up just before the devaluation — has, however, fallen almost to zero during the last few months, reflecting strong demand for French

for foreign securities. But the Government is likely to try to ise the devise titre as a bargaining counter to win concessions from other EEC countries on moves towards setting up a European capital market, Securities dealers also wel-

Socialists—and the declaration products of a tax amnesty to encourage On the repatriation of flight capital.

The bullion move could even-French people are believed to the foreign funds. Since this own between 4,000 and 5,000 normally takes place 90 days

tonnes of the metal. Only a after shipment, company modest amount of sales would treasurers have effectively won a breathing space of a further provide enough liquidity to absorb a good part of the flotations of nationalised company shares, perhaps at the rate of FFr 25bn to FFr 30bn (\$4.08bn) a year, which the Government is planning for the next few years.

The tax amnesty is also a breathing space of a further 75 days.

But they have not been given freedom to hold foreign exchange indefinitely—indicating that 50 years of French foreign exchange controls (first brought in by the Popular Front government of 1936) die bard.



new Finance Minister thought to be bullish for the shares and bonds. stock market. However, France
Bankers would welcome its for the moment, has no need of removal altogether to allow capital inflows to stoke up secu-them to set up a permanent rities buying. Repatriation of marketing network in France capital since the devaluation 11 days ago has been estimated at an unprecedented \$3bn to \$4bn On the corporate front, yesterday's measures will allow companies to buy foreign ex-

change on the forward markets to cover their import needs three months ahead. This comcomed yesterday's move to re-store anonymity to gold transac-tions—reversing an earlier cover for companies importing measure brought in by the a limited range of important

On the export side, companies will no longer be required to convert foreign curthe build move come seems required to convert foreign con-taily make gold owners who rency proceeds into francs have acquired the metal illicity within 15 days of the date of more willing to liquidate their shipment of goods. Instead, stocks and to turn the proceeds they have to make the transfer into securities, dealers believe. Only when they actually receive

But they have not been given freedom to hold foreign exchange indefinitely—indicating that 50 years of French foreign exchange controls (first brought in by the Popular Front government of 1936) die hard.

Bankers estimate that the total abolition of exchange controls could under unfavourable conditions, depress France's exchange reserves by between FFr 30bn and FFr 60bn by giving companies more leeway to take out long and short positions to minimise their exposure to a falling franc.

But more than a dozen large companies, including the biggest nationalised groups, oil companies and large commodity traders, have already negotiated accords with the Treasury eiging them much greater free-

accords with the Treasury giving them much greater free-dom to cover their foreign ex-

change exposure.

More French companies are also using options to manage their foreign exchange ex-posure. This was allowed under the loosening of currency controls already brought in by the Socialist Government and is another reason why full abol-ition of restrictions would have a less violent impact on the position of the franc than many economists have up to now

With the franc strong in the EMS since its devaluation, some officials believe that the Government might have missed a golden opportunity entirely to dismantle exchange controls in the wake of the Ootmarsum

realignment.
But Mr Edouard Balladur, the Finance Minister, has promised that progressive liber-alisation will continue — and French bankers and securities dealers, aware of the com-petitive threat to Paris from a totally liberalised centre like London are trying hard to prepare themselves for the day when the remaining controls

#### FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Closing prices on April 16

	1			
	US DOLLAR		Change on	Change on
	STRAIGHTS	letund	Bid Offer day week Yield	OTHER STRAIGHTS Issued Bid Offer day week Yield
	Amoco Co. 93 16		1027, 1083, +03, -03, 9,43	Am. Ex. O. Cr. 0 91 A\$ 700 541, 651, +01, -01, 1269
	Atlen. Richfield 10% 00		109 109 -0 -0 -0 9.02	A- & NZ Bk. 15- 90 AS 50 108- 107- +00- 12-90
	Australia Com, 11 95	200	1197 1204 +04 +14 7.82	Fiat Finance 141, 89 AS - 50 - 100, 1054 +04 +14 12 38
	Australia Com. 114 00	100	1224 1224 +05 +14 8.47	LB Schlawg, 144, 81 A\$ 30 1054, 1064, +04, +04, 12.57
i	BP Capitel 91 94	100	104 104 - 0 + 0 8:35	Amex 103 90 C\$ 50 1084 1074 +04 -04 8.70
	BP Capital 114 92	150	112 1124 +04 +04 8.35	Canad. Pac. 10% 90 CS 75 107% 107% +0% +0% 8.23
	Campbell Soup 1012 96	100	1144 1154 +04 +05 8.12	
		1000	1094 1097 +04 +04 7.58	CIBC 10% 90 CS 75 110394 10474 -012 +012 9.57 Genetar Fin. 11% 95 CS 75 1105 10572 -012 +074 10.20
	Caneda 112 90	500	1134 1144 +04 +04 7.24	Montreal 11½ 95 C5 75 108½ 108½ +0½ +0½ 10.00
	Canadian Pac. 10% 83	100	111 1112 +04 +05 8.58	Ryl. Trustco 104 90 CS 75 104 104 +04 +17 9.15
i	CEPME 104 91	100	1095 1097 -0'2 -0'- 7.90	Sears Acc. 104 92 CS 75 +104, 1054 -04 +0, 9.53
1	Citicom 10 88	200	105% 106% +0% +0% 7.31	Coca-Cola F. 17 90 NS 75 1014 1024 0 -24 16.18
	Citicorp 104 95	200	107 1072 +02 +02 9,40	Denmark 17'2 89 NS 50 1994 100% -04 +07 17.60
- 1	Credit Lyonnals 9 91	200	105% 106% +0% +0% 7.51	Unilever Cp. 17-2 89 NS 50 29 100 0 +0-17.56
-	Credit National 94 93	150	107 107-2 +0-2 +1 7.71	Capabegn. C. 9 96 Ecu 40 113, 113, -0, +0, 7.02
	Denmark Kgdm. 114 89	100	109 110 +04 +04 7.58	EIB 87 93 Ecu 180 109 110 -01 -01 6.82
	Denmark Kodm. 113 90	100	1125 113 +05 +05 7.72	Walt Disney 84 94 Ecu 63 1085 1095 -05 +15 7.23
j	Denmark Kgdm. 114 92	100	1164 1154 + 04 + 04 7.92	Honda WW 37, 90 Fl 100 1101 1101 -01 0 1.124
ı	EDC 81 92	100	1043 1047 +03 +03 7.51	Honda XW 37, 90 Fl 100 321 931 +02 +01 5.98
-	EDF 10 95	225	110% 110% +0% +0% 8.31	Thyssen 74 90 Fl 50 1034 1034 -04 +04 6.35
1	EEC 84 91	160	105 1053 +03 +03 7.28	Wereldhave 7'- 90 Ft 75 104' 104' -04 +03 6.24
ı	EEC 95 90	350	106 1063 -04 +05 7.82	Wessanen 6% 90 Fi 50 TOT 1015 +05 -05 6.39
1	EIB 10% 94	200	1115 112 +05 +05 8.27	NERSA 91 96 FFr 500 1091 1091 - 101 8 31
1	EIB 12 95	200	1247 1253 +03 +03 7.99	Amey 11 93 £ 50 1072 1074 +012 +114 9.44
4	Eli Lilly 10% 92	<b>150</b>	7134 1134 +04 +04 7.54	Australia Com. 1192 £ 40 1071 1077 -01 +11 9.28
1	Equit. Lrd. Rity. 1012 97	100	1104 1114 +04 +04 8.94	GMAC UK F. 10-2 90 £ 30 1037 1047 0 -0 9.22
1	Expart Dev. Cpn. 10 90	700	1095, 1095, +05, +05, 7.24	Imp. Ch. Ind. 114 95 £ 130 108 109 +04 +14 9.77
1	Fed. Dep. Strs. 10% 95	100	1123 1134 +04 +02 8.07	imp. Ch. Ind. 104 92 £ 75 1054 105 +04 +04 +05
1	Ford Motor Crd. 102 91	150	109 110 +05 +02 8.22	Inv. in Ind. I. 10 93 £ 80 102% 103% +0% +0% 9.39
1	Ford Motor Crd. 11% 90	100	1104 1104 +04 +04 8.04	Leads Bld. S. 107-91 £ 50 1034 1047 +04 +14 9.47
1	Gen. El. Cred. 10's 00	200	107% 107% +0% +0% 9.28 107% 108% +0% +0% 7.35	McDonalds 107, 90 C 40 1057, 1067, +01, +11, 9.15
ł	GMAC 104 89	200 250	109-110 +0-+0-8.24	MEPC 104 2003 £ 75 991, 100 +01, -01, 10.31
1	GMAC 10% 92	200	1124 1124 +04 +14 7.95	Nat'nwide BS 104, 93 £ 75 1014, 102 -04, -04, 9.60
ı	IADB 10-2 25	150	1157 1164 +02 +14 7.99	NSW Treasy, 10% 92 £ 50 100% 100% +0% +0% 9.69 Royal Ins. 10% 92 £ 60 100% 105% +0% +0% 9.69
•	Kellogg Co. 10's 90	100	1084 1084 +05 +04 8.13	The same of the sa
1	Kellogg Co. 11% 92	100	1121 7131 +02 +01 8.31	
1	Nippon Cr. Bk. 10 95	150	115, 116, -0, +0, 8.16	
1	Pilisbury Co. 104 93		1095 110 +15 +25 8.43	
Į	Proct & G. 'A' 9' 92	150	106% 107% +0% +0% 8.47	N. Lux. Al. 10-2 92 LFr. 600 103-1 104-2 +0-3 -0-3 9.66
1	Pru Realty S. 121 95		115 1187 +04 +05 9.01	100 100 100 100
ı	Qentes Alirways 10% 95		175 116% 0 +1 7.84	FLOATING RATE
1	Queensid. Gvt. 104 95		1144 1144 +02 +02 8.00	NOTES Spread Bid Offer C.dte C.con
1	Relaton Purina 11% 95	150	1184 119 +04 -24 8.70	Anglie Bldg. S. 5 98 £ 04 99.98 100.08 14/4 111
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reight Bonds: The yield is the yield to redemption the mid-price; the amount issued is millions currency units except for Yen bonds where it is billions. Change on week—Change over price a wealier.

All of these Warrants have been offered outside the United States and may not at any time be offered or sold in the United States or to citizens or residents thereof.  This announcement appears as a matter of record only.

New Issue / April, 1986

## Phibro-Salomon Inc

**Treasury Note Calls** 

350,000 Warrants to Purchase 81/8 U.S. Treasury Notes due May 15, 1991

> Each Warrant entitles the holder thereof to purchase \$1,000 in principal amount of 81/2% United States Treasury Notes due May 15, 1991.

#### **Salomon Brothers International Limited**

LONDON: One Angel Court, London, EC2R 7HS, England NEW YORK: Salomon Brothers Inc, One New York Plaza, New York, NY 10004 TOKYO; Salomon Brothers Asia Limited, Fukoku Seimei Bidg., 2-2 Uchisaiwai-cho, 2-chome Chiyoda-ku, Tokyo 100, Japan

ZURICH: Salomon Brothers Inc, Stadelholerstrasse 22, 8024 Zurich, Switzerland

## Slimmed-down APV on course with £15m profit

THE RATIONALISATION programme undertaken by APV benefit will not be seen until APV international in the UK Holdings in the middle of its 1987. depressed 1984 year was re-

The result was some fim market expectations, but is still some way off the levels of profitability achieved prior to 1984. The company makes industrial processing and heat-

man, says as regards current trading that the trend of orders in hand at the end of last year and the start of his has been

flected last year in improved overseas subsidiaries contrimargins and reduced costs, buted over 70 per cent to break even in 1986 while the UK
Turnover for the 12 months to trading profit totalling £17.4m contractor should be kicked
December 31 fell from £412.3m (£10.9m), due mainly to greatly back into profit. Looking forto £409.1m, but taxable profits
doubled to £15m against a restated comparable figure.

The result in North ward the joint venture with
America and the Asia Pacific Kloeckner-Werke will allow
region. These areas have been APV to make a go of West restructured and strengthened, and expect a satisfactory out-come to 1986.

is still some way off the levels of profitability achieved prior to 1984. The company makes industrial processing and heat-transfer equipment.

With earnings per share sharply up from 7.7p to 23.8p, the dividend for the year is raised from 11.25p to 11.75p with a final of 7.25 (6.75p).

Sir Ronald McIntosh, chairman, says as regards current trading that the trade of each of the profit also improved in 1985, and recent orders will help to ensure another good year, says the chairman. In the UK, with the exception of APV International, most subsidiaries had a satisfactory year. There were losses in South Africa due to rising costs associated with the decrease of each of the company makes industrial processing and heat-transfer equipment. mic situation, says Sir Ronald.

• comment

and the start of his has been rather flat, but there are indications of improving opportunities in several areas. The £15m as expected after a dismat there is alw rationalisation programme, he 1984 though there are two loss-

1987. and South Africa which In the year under review, together lost around £1.4m. break even in 1986 while the UA contractor should be kicked back into profit. Looking forward the joint venture with Kloeckner Werke will allow APV to make a go of West Germany while putting a rather special West German valve in the group's hands to exploit through its contacts. exploit through its contacts with the US brewing industry Other new areas include an efficient cheese making process and a tentative entry into China. The full benefits of these

china. The full benefits of these moves will come beyond the current year but with a little contribution, some organic growth and loss elimination, a forecast of £18m is not taking for a lot, So at 331p, the presenting how is not a little prospective p/e is only a little over 10. APV may not generate much excitement for its shareholders but the rating must make it a sound investment and there is always the thought of

## **Problems** at Turriff as year-end figures fall

CONTINUING problems and the subsequent closure of its southern construction activi-ties have resulted in lower profits at Turriff Corporation. The pre-tax figure was down from £667,000 to £408,000 for 1985, and this follows a warning by Mr Charles Turriff, the chairman, at the time of his interim statement.

He says construction profits are totally unsatisfactory and following the closure, the management of uncompleted contracts has been transferred to the group's ongoing main

The loss in 1985 on these discontinued operations was £1.38m, and it has provided in the accountants, as an extarordinary item, amounts totalling £660,000 before tax to cover the redundancy and closure costs of the southern office. A specific provision has also been made for anticipated future losses on the one contract continuing through

The group has also written off, as an extraordinary item, the award and costs associated with an arbitration that went against it in connection with the provision of software and hardware for an estimating computer. This has been provided in full at £305,000. An appeal is being considered.

Abelson Group. Turrif's plant hire and sales com-panies, again contributed ex-cellent results, says Mr Turriff. Technicare International companies suffered from currency losses, particularly in

man and chief executive, says that turnover during 1985 rose Turriff's 40 per cent interest in Quoin Homes has produced satisfactory profits. marginally from £189.66m to £192.47m, with the UK construc-Group turnover in 1985 fell

from £69.41m to £60.99m. The dividend is unchanged

## Difficulties overseas for M. Hall

A YEAR of mixed results in its operations has re-stricted Matthew Hall, engineer, activity, from which the group is well nized to henceft."

The property of a formula is well nized to henceft." to a 13 per cent rate of growth in 1985, the company announced yesterday. UK operations per-formed well in what was considered a difficult year, helping it to a taxable profit of £16.06m against £14.25m.

A sizable proportion of the group's business is connected with North Sea oil, and Mr Donald Parvin, chief executive. said that it would have to live in an environment of lower oil prices. He added, however, that their effect in the longer term, while important was not seen as critical.

"A period of uncertainty is inevitable despite the fact that major oil companies base their investment decisions on projec-

national construction and property group are set to re-ceive a higher final dividend

of 8.6p, against 7.8p, which lifts the total by 10.6 per cent to

Mr Brian J. Hill, the chair-

investment properties.

is well placed to benefit."
The dividend for the year is raised from 3.9375p (adjusted

for last year's scrip) to 4.5p with a final of 3p (3.2625 adjusted). The dividend is covered 2.73 times by earnings on the capital increased by the purchase of IDC last August. The four month contribution from the acquisition was up to expectations.

Total group turnover rose from £382.77m to £432.67m. In the UK, activity in the oil, gas and chemical sector a high level during 1985 with work on four North Sea pro-jects which will continue during most of 1986.

demand in the public sector con-tinues to reflect the Govern-ment's cut-back in capital ex-

penditure, there has been an

encouraging improvement in private sector enquiries in the

As expected, the overseas con-

Using the proceeds of the 1984

rights issue and other sources of finance, expansion in property and housing has con-

major oil companies base their investment decisions on projections of longer term trends in both the price and availability any real activity on new proof oil," he said, adding "we have seen quite significant chief executive. Nevertheless, bave seen quite significant chief executive. Nevertheless, improvements in the level of the companies in the mining expenditure in other areas of and minerals sector were able UK industry, and it would to recover sufficiently to finish

south east.

13.6p. Earnings per share were 45.6p (42.6p) before a £639,000 extraordinary credit arising with the recent completion of from sales of certain minor projects in Trinidad and Barbados

In the mechanical and elec-trical sector Hall has been greater volumes of work from a much wider range of industries, although conditions remain intensely competitive.

Overseas, Holland produced improved results for the oil, gas and chemical sector on higher volume. Australia, operating predominantly in the mechanical and electrical sector, was disappointing, not least due to weakness of the dollar which declined in value by over 30 per

#### comment

Higgs and Hill meets forecasts with £8.6m

Riggs and Hill has chalked up a fifth consecutive year of growth with a rise from \$\tau\$. 19m the past few months."

Shareholders in this international construction and turnover and "there has been a strategy, says the chairman. Higgs and Hill Properties recently completed and let two of its "high-tech" developments, at Reading and Slough, the results from which will show in 1986. It has also enhanced the income should bounce back up income should bounce back up

It was not the best of times at Matthew Hall. The US came in with losses after un unhelpful contract provision not one milby foreign exchange move-single f ments. Fortunately the UK miserly mining equipment activity growth.

The directors say the current

previous year's strike-inspired £im loss so the overall numbers boast its fourteenth year of improvement. So it certainly was not the worst of times. And some new management is clearly not goin gto suffer the laggards for long and the prob-lem areas are quickly being tackled which should bode well for this year but for two restraining facts. Interest receivable will probably fall, simply as a function of more private rather thn public sector contracts. The payment systems are different. Also the collapse of the oil price throws a shadow over its oil related activities, about a fifth of the group. Hall argues that a lower oil price could cause accelerated spend-ing elsewhere to compensate for contract provision not one mil-lion miles away from £1m while dull Australian figures were made even duller in sterling nudges the prospective p/e into single figures at 146p — a miserly rating for consistent

spring of this year rent from the Charing Cross Road block will be on stream and rental income should bounce back up to £1.1m. The French unit had

the campus office concept and a development in Kew on these

restment portfolio by the sale of certain minor properties and the development and letting of a quality office building in the West End of London.

The first means and doubte tack up to £1.1m. The French unit had a record year but unfortunately we cannot be told how good. From Paris, Higgs has imported the campus office concept and a

The directors say the current year has started well and they lines looks promising. Last week development began of a 60,000 sq ft office project in the city which should be contributing from 1987 onwards. A prosperty development and housing although its standard of deceleration still leaves a lot to be desired. The switch means that turnover increases look tame by comparison with the profit

## US boost for Albert Fisher

profits from its subsidiaries — they American subsidiaries—they improved from £818,000 to £2.08m— contributed to the Albert Fisher Group's interim figures at the pre-tax level advancing from £1.48m to £3.22m in the six months to February 28 1986. The interim dividend is

raised from 0.63p to 1p net, and the directors expect to recommend a final up from 0.8p to 1.25p. Stated earnings per 5p share were 4.2p against an adjusted 3p.

Turnover of this food distribution and services group

advanced from £35.82m to £51.04m, and the board is confident about prospects for the remainder of the year. The food division increased s profits from £319,000 to £661,000, and the distribution division again performed well, with a contribution up from

company, in a settlement of all

had relinquished his position as executive chairman of the principal operating company. Dewey

Warren & Co, and the deputy chairmanship of the parent company, while Mr John House had relinquished his position as

managing director of both companies. The two remained as non-executive directors of

The board said then that

the parent company.

A STATE OF THE STA

claims arising from their ser-

vice contracts.

cheese sector. Since Christmas this sector experienced difficult trading conditions and the business has now been sold. The loss of £350,000 on disposal has been fully provided for in the interim results as an extraordinary item. This compares with a contact of the contact of the compares with a contact of the contact of with an extraordinary debit of £150,000 in the corresponding

period last year.
Ziff, acquired in January, is already proving to be a valuable new member of the group. The directors say the business is continuing to expand, and construction work recently commenced on the extension of its warehouse facility. This will be financed by a \$1.5m 25-year industrial revenue bond at an interest rate of 70 per cent of prime rate

Ziff, based in North-eastern America, is principally engaged in marketing and distribution with a contribution up from of disposable paper and distribution of disposable paper and plastic f341,000 to £477,000. In the US, products to customers in the profits necessary for the payments of the first defends payments of the first deferred ocomment

price.

The biggest surprise from further the rating can be pushed Fisher suffered one setback Albert Fisher's statement yes — at least until the next during the opening half—in the tenday was what it did not acquisition.

formance is anything to go by they are well justified. But there is a limit to how much

next acquisition. That and news of one of the earlier purchases departure at a below the line loss. But the next acquisition is not far down the road and one small "failure," which has been written off as a toe in the water. experiment in dairy products is not going to dent the group's reputation in the City as an up and coming international (ie, UK and US) food and distribu-tion group. Though acquisitions are crucial to Fisher's develop ment the management is show ing its paces in churning out organic growth after the deals are done. On a like for like basis interim profits are up by 27 per cent and — seven points better than dispersion have set the dispersion. the directors have set them-selves. This year profits should come out around £8m pre tax for a prospective p/e of about 19 at 194p. The market has high hopes and if recent per-

#### Dewey Warren pays out raising I£5.8m £0.15m to ex-directors

USM-quoted Lloyd's insurance Co.
broker, is 10 pay a total of £152,000 to two directors, who have just resigned from the satisfied with the terms of the satisfied with the terms of the claims settlement. On conclu-

claims settlement. On conclusion of the negotiations, Mr Rooke and Mr Rouse had resigned as directors.

The board said it was confident that the reconstruction of the management would provide helieved that a new management structure for the future.

The current year had con-The company announced at the time of its 1985 results in February that Mr John Rooke The current year had con-firmed the trend of lower over-all brokerage income which adversely affected the second half of 1985.

half of 1985.

Further stringent action had been taken to contain the level of costs, but tais only confirmed the outlook for 1986 given in the published statement that profits would be substantially lower than in 1985. Last year the company had pre-tex profits of £1.01m, down from £1.18m in 1984.

Shares in Dewey Warren

while recognising the contribu-tions made by the two it beleived that a new manage-ment team must now take charge. Mr Charles Nortonin 1984.

Smith, an executive director. Shares in Dewey Warren became managing director of closed last night at 75p. down the parent company and acting 18p on the day.

## **Jury's Hotel**

JURY'S Hotel Group is seeking to raise IrIS.75m in an offer for sale by the Investment Bank of Ireland of 5m ordinary shares at a price of 115p per share.
Jury's forecasts an increase in
pre-tax profits of over 30 per
cent to £1.8m for the year to
end April 30.
The shares are being offered
on a forecast arraines per share

on a forecast earnings per share of 10.3p (1985 7.6p) and a fore cast price earnings ratio of 11.2 times. The company is forecasting a net dividend of 3.75p for the coming year. The gross divi-dend yield based on the fore-cast dividend is 5.0 per cent. J. & E. Davy are brokers to

Jury's says it is considering plans to invest a further £10.5m in major expansions of its Dublin and Cork hotels.

## Senior Engineering

Senior Engineering's wholly-Senior Engineering's whollyowned subsidiary, Senior Green,
has paid fl.2m cash to buy
GWB Industrial Boilers,
M and W Grazebrook and the
Cradley Boiler Co, together
with the research and development business from GWB
Energy Developments from the

IN BRIEF

BERKELEY Exploration and Production profits amounted to £1,35m (£1,58m losses) for 1985 equal to 7.29p (8.17p loss) per share, Turnover was unchanged at £11.8m. Cost of sales was 17.2m (£6.6m) which included depreciation of £3.6m (£3.3m).

MACRO 4 pre-tax profits rose from £1.07m to £1.73m for the six months ended December 31 1985 but included an exceptional credit of £695,000. Turnover was £3.12m (£2.67m). Earnings per share were 4.9p (£7.7p) after tax £669,000 (£488,000). (2.7p) at (£498,000)

SAMUEISON Group, the film and television equipment supplier, is taking over Dallas-based Victor Duncan Inc in a cash deal of \$2.5m (£1.68m). Duncan, with pre-lax profits of \$350,000 in 1985, is, according to Samuelson, the market leader for the rental of film and video production equipment in central US.

CHEMICAL METHODS Asso-clates, the California-based maker of commercial dish-washers which has a USM quote, wasners which has a cost quote, achieved lower taxable income of \$43,000 (£29,000), against \$174,000 for 1985. Turnquer was \$9.28m (\$9.67m). The solution tary dividend payment is cut from 3.5 cents to 1 cent.

> LADBROKE INDEX 1.380-1.386 (+8) Based on FT Index Tel: 01-427 4411

# tion industry experiencing another year of competitive conditions. In spite of this climate, Higgs and Hill Building increased Higgs and Hill Homes, which desired. The switch means that comparison with the profit of the rerating due to the desired. The switch means that changing shape of the group but turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that changing shape of the group but turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that changing shape of the group but turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that changing shape of the group but turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that turnover increases look tame by comparison with the profit of the rerating due to the desired. The switch means that turnover increases look tame by comparison with the profit of turnover increases look tame by comparison with the profit of turnover increases look tame by comparison with the profit of turnover increases look tame by comparison with the profit of turnover increases look tame by comparison with the profit of turnover increases look tame by comparison with the profit of turnover increases look tame by comparison with the profit of turnover increases look tame by comparison with the profit of turnover increases look tame by comparison with the profit of turnover increases look tame by co Read how ecame asuccessful international automotive and industrial group.

(The latest chapter is out now.)

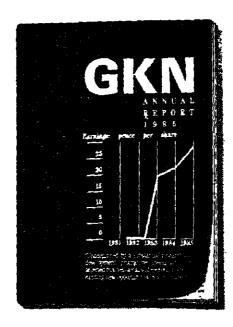
1985 was a successful year for GKN, both in terms of performance and strategic development.

The reshaping and repositioning of the Group, now a world leader in the design and manufacture of technologically advanced products, has brought with it much better financial results.

Pre-tax profits are up 15.2% from last year and stand at a record £132.7 million. Earnings of the year are up 37.4% from £46.0 million to £63.2 million. Earnings per share have risen 31% from 20.3p to 26.6p with an increase in yearly dividend of 14.3% from 10.5p to 12.0p.

GKN is one of the UK's largest companies and exporters, generating half its income from overseas subsidiaries.

A substantial R & D programme (\$45 million in 1985) and a commitment to



specialisation in selected business areas will continue to create exciting new opportunities in world markets.

For a copy of the 1985 Report and Accounts full in the coupon below: You'll find it makes good reading.

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#### Public Works Loan Board rates Effective April 16

	Quata	loans	repaid	Mon-quota	loans.	. 24
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Over 15 up 10 25 ... 81 81 81 81 Over 25 .... \*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly angulty (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

## City satisfied with Hawker's £160m Woodworth

WITH 1985 profits ahead from a re-stated £143m to £160.3m pre-tax Hawker Siddeley, the engineering group, more than satisfied market expectations and the shares closed 34p higher

yesterday at 577p. yesterday at 577p.

The directors described the performance as encouraging and they are lifting the dividend for the year by 2.7p to 14.5p, the final being 10p.

Turnover showed an improvement of £68m at £1.59bn.

By sector the best result came.

By sector the best result came in electrical distribution and controls with pre-tax profits of £30.9m (£22m) on turnover of £354m (£314m). The worst was diesel engineering with profits down to £16.1m (£30.1m) from turnover down to £195m turnover down to £195m (£241m).

By area of manufacture the UK heartland performed best with profits rising to £83.9m (£54.9m) out of turnover up to £879m (£819m). Bottom of the table came Canada with turn-over down from £185m to £153m and profit down from £21.9m to £14.3m.

Despite strong rumours vesterday morning that Hawker Siddeley was on the point of making an offer for 288p. engineering contractor Simon Engineering no bid

materialised. Mr Robert Bensly the chief UK companies were good and executive and managing direct profitability showed a marked tor, would make no comment on the bid rumours. Mr Harry electrical sectors.

Bowthorpe in

for Protimeter

Bowthorpe, the Crawley-based

electrical and electronic com-ponents group, has made an agreed £4.9m cash bid for Protimeter, the damp testing

meter manufacturer.
Mr Raymund Parsons, chair-

man of Bowthorpe, said that he saw potential for Protimeter's

products to be produced and marketed by Bowthorpe's sub-

sidiaries in America. He said

Protimeter did not yet export

agreed bid

By Wolfgang Munchau



taking over as chairman of Hawker Siddeley on May 1

past but he had received no appointing. approach from Hawker Sidde-ley. The Simon Engineering in the US performed well in a

improvement — notably in the

of demand from the railway and sawmill industries. However, Australia performed well providing a growing contribution to group profits—now up to £18.3m

The directors sum up: "The fall in the price of oil is seen as being eventually beneficial to world trade and to ourselves. As a result, rapid changes are expected in the strength of some markets—both positive and negative—but the wide geographical spread of our operations and the breadth of our product range will assist us in handling these changes." Profit after taxation was

£102.5m (£91.7m) and after the cost of the dividend (£28.8m) and extraordinary items (£11.7m) the profit retained was £54.5m, against a previous

Earnings per ordinary share were 48.1p, up from 41.5p last year. Cash balances less loans and overdrafts stood at £155m, compared with £111m 2 year

The results of overseas companies were translated using average rates of exchange and comparatives have been adjusted. Last year's reported pre-tax profit was £151.5m using year end exchange rates. O Carlton Industries, the group's wholly-owned battery manufacturer and whisky distiller, returned pre-tax profits of £13.85m (£11.9m) from a

turnover of (£132,35m) in 1985,

good generally balancing the bad—and the shares rose by 5p

should contribute £3m or so in 1986, its first full year. Aerospace is poised for further growth. The troublesome hydraulics divisions are approaching the end of their product development programmes and should generate sales growth again. After its last rights issue, thre years ago. EIS bided its time before making an acquisition. The pro-

ing an acquisition. The pro-ceeds of this issue will be put on deposit and the City, antici-

## Share Pric 120 FT-A FT-A All-Share Index 100 1981 82 **83** 84 85 86 Sir Peter Baxendell, who is

## share price rose 32p to close at

say results from most of the

a 31 per cent increase in pre-tax

In the past 15 years EIS has

lapped up uninterrupted profit growth, thanks to a shrewd acquisition policy of spotting the floundering subsidiaries of

larger engineering groups and buying them at bargain prices.

Last year the company made

its largest single acquisition by

profits to £5.5m.

s meters to the US.

Protimeter produced pre-tax from Burmah Oil for £5m.

profits of \$458,000 in the year to last June on turnover of \$1.32m.

from Burmah Oil for £5m.

According to the chief executive. Mr Dick Reed, EIS envisages making a large large large.

good market, but the minority owned (37 per cent) Onan Cor-Summing up the 1985 year poration had a poor year. How the Hawker Siddetey directors ever, they point out that the ever, they point out that the Cummins Engine Company has recently acquired the majority holding in Onan and they regard this as a favourable development.

Hawker Siddeley

Harrison: chairman of Simon The exception was in some At Hawker Siddeley Canada Engineeting, said similar parts of the diesel engine business where demand was diswas constrained by the low level

ENGINEERING conglomerate, EIS Group, launched a £9.5m rights issue in order to finance capital expenditure and future acquisitions. EIS also unveiled a 31 per cent increase in pre-tax development of a new production plant.

"There is still plenty to be achieved in our existing area and we see no reason to diversify away from the field we are accordingly belonging the content of the performance of the content of the content

sify away from the field we

at 235p, for every nine shares

In the year to December 31

1985, EIS's turnover rose by 49 per cent to £70.9m and pre-tax

profits by 31 per cent to £5.5m. Earnings per share increased to 19.13p and the final dividend

lifted to 4.9p.
Flexibox, the profits of which

were consolidated for seven months of the year, contributed

£1.6m to earnings.

The rights issue will release

two new ordinary shares, priced to 275p yesterday. Flexibox at 235p, for every nine shares should contribute £3m or so in

1925

EIS launches £9.5m rights

know so well."

held.

Bowthorpe is offering 63p in this year within its established field of process engineering. The rest of the capital raised cent loan notes redeemable in 1991.

ages making a larger acquisition this year within its established field of process engineering. The rest of the capital raised will be channelled into capital apparently effortless profits from £6.75m with a growth, without Flexibox the prospective p/e of 15.

## enlists Goldman Sachs' help

GOLDMAN SACHS, the US investment bank, has joined the British merchant banking team of N. M. Rothschild and Charterhouse Japhet as advisers to Woolworth Holdings in its defence of the £1.6bn takeover bid from Dixons, the electrical retailer.

the electrical retailer.
Goldman and other US investment banks have been expanding their UK-based corporate finance teams in recent years and have increasingly been involved in bids as joint financial advisers with UK merchant banks.
British companies have

merchant banks.

British companies have called on US investment banks either because they offer a different perspective, because they can establish links with US shareholders or find possible "white knights" in the US to launch a counter-bid. a counter-bid.

Goldman has been advising Imperial Group in its defence against the £2.8bn takeover hid from Hanson Trust and is also helping Standard Char-tered fight the £1.2bn bid from

Lloyds Bank. Weelworth yesterday launched an attack on Dixons' plans to sell off Comet. Wool-worth's electrical retailing subsidiary, to reduce the chance of the 2id being referred to the Monopolies and Mergers Commission.

"It is unprecedented for an unwelcome bidder to seek to escape a possible merger reference by selling off assets of the target company without that company's approval or co-operation," Woolworths

It was difficult to see how Dixons could get a proper price for Comet without the necessary financial, commer-cial and corporate informa-tion on which to assess its true worth, Woolworth added.

Dixons responded with an attack on Woolworth's pro-gramme of store sales. The sale of the 12 Woolco super-stores to Dee Corporation announced earlier this week and the disposal of 23 other Woolworth outlets would reduce Woolworth's sales space by about 10 per cent, Dixon

#### British Mohair down as expected

AS expected, taxable profits of British Mohair Holdings were down in 1985 at £3.47m, compared with £4.21m, but the dividend total is maintained at 6p per share with a same-again final distribution of 4.75p. Turnover of this comber,

dyer and spinner increased from £36.72m to £40.41m with activity in all parts of the business remaining at a high level throughout the 12 months, directors state.

Mr Fenton, chairman, says that since the year end subsidiary British Mohair Spinners has booked substantial export orders. He adds that it is not easy

to assess the outlook for the whole of 1986, "but it should not differ very materially from the performance achieved in 1985."

#### Wade Potteries

Wade Potteries, based in Stoke-on-Trent, has increased first half profits by 9 per cent and says that the full year result should be encouraging with additional growth during next year.

Over the six months to end-January 1986 pre-tax profits expanded from £598,400 to £652,115 on turnover ahead from £7.61m to £8.36m. Profits in the 1984-85 year reached £1.66m.

The interim dividend is being raised by 10 per cent to 1.1p, with earnings per 10p share up from 3.46p to 3.84p.

> ALSAUDI BANQUE **CREDIT LYONNAIS**

CYPRUS CREDIT BANK

## RMC makes £80m despite W. German downturn

THE RMC GROUP had a better second six months than had been anticipated and for the been anticipated and for the period recovered £4.7m of its £6.3m midterm profits shortfall.

This left 1985's overall profits at £79.7m pre-tax, compared with the previous year's £81.3m.

The City had been expecting something in the region of £77m.

During the year the group experienced intensely com-petitive trading with adverse weather conditions in Europe and a severe downturn in the West German construction industry.

However, continued efficiency by the core businesses in the UK and improved profitability from operations in other countries enabled the group to return what the directors describe a " satisfactory " result. The year saw group turnover improve from £1.17bn to £1.36bn

and operating profits by £5.3m to £90.7m. Pre-tax profits included investment income of £0.4m (£0.9m) and were after deducting interest charges of £11.4m, against a previous £10.1m—1984's figures took in a £5.1m share of profits.

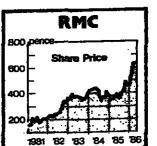
The light of this reduction

related companies results. A lower tax charge of £32.3m (£35.6m) left earnings margin-ally ahead at 45.3p (45.1p) and a final dividend of 9.4p (8.6p) lifts the total by 1p to 14p net per 25p share.

In the UK volumes in ready mixed concrete and aggregates showed a slight increase on those for the previous year. The need to satisfy orders which had been delayed by the bad weather in the early part of the year involved considerable extra costs and this had an inevitable

effect on margins.

Builders' merchants were affected in the first six months of the year both by the poor weather and weak demand. The second half of the year, how-



countries £383.7m (£324.3m) and £22.6m (£15.2m). During the year RMC invested £78.3m in properties, land and equipment. Net borrowings remained under tight control and at year end these represented 24.8 per cent of shareholders'

In the current year the directors say volumes should improve with better weather conditions and further progress is looked for.

#### comment The City has warmed to RMC's sensible approach to the difficulties of the over-supplied

ever, showed a strong recovery.

Consumer demand for DIY grew less in 1985 than in the West German market. Just over six months ago the shares took off from a 400p plateau and have now reached 638p in spite previous year but the Great Mills chain of retail superstores made a satisfactory advance on The drop in the level of construction activity in West Germany, which occurred in the second half of 1984, continued into 1985 and production of ready mixed concrete fell by a further 15 per cent. The direc-In the light of this reduction in demand they have taken steps to carry through stringent cuts in capacity and manpower. Mr John Camden said yesterday that RMC faces another difficult year in Germany. "We will show an improvement but it won't be a big improvement,"

Elsewhere in Continental Europe, the Austrian company continued to make good pro-gress and the companies in Belgium and Spain both returned to profit. A geographical analysis of

## of the small drop in pre-tax profits (which would have been some £4m worse on a like for like basis) and the lack of any recovery in Germany. The con-solidation of RWK has helped as the demand for its lime has been strong. More important in time, however, will be the man-power and capacity rationalisations that have taken place in RMC AG's operations (which contributed only £4.5m this year). For the real threat hangyear). For the real threat hanging over the German market is not a further fall in volumes but a price drop. The dark horse proved to be France with a £4m gain which contributed most of the rise in "other country" profits (most of the rest coming from RWK's Dutch unit). In the UK, ready-mixed unit). In the UK, ready-mixed concrete volumes should be ahead some 3 to 4 per cent this year and lower fuel bills could see some margin gain. Analysts are expecting £88m and the shares are trading on a prospec-tive p/e of almost 13. Given the 1985 turnover and operating profits shows: UK £616.9m (£550.8m) and £56m (£54.7m), west Germany £363.2m (£300m) and £12.1m (£15.5m) and other point on the multiple.

#### Jackson Ex. chiefs agree to pay cuts

Jackson Exploration, the Dallas-based oil and gas explorer and producer which has a full quote on the London Stock Exchange, has announced a cutback in the company's operations and large reductions

This coincided with announcement of a pre-tax loss of US\$21.23m (£14.3m) for 1985, compared with a profit of

The company announced that the two executive directors and three other Dallas-based executives have taken voluntary salary reductions of up to 25 per cent, from April 1. The tarily has cut his salary by 50 per cent from January 1.

Jackson also revealed that under the cost saving programme the company's three non-executive directors have retired from the board; also the company has cut its US operations and headquarters staff from 24 to 13.

The company announced that it had reached agreement with its principal bankers for the postponement into next year of loan capital payments due this year.

#### Berisfords

Berisfords, the ribbon manufacturer facing a £7.8m bid by Allied Textiles, the diversified fabric manufacturer, yesterday fabric manufacturer, yesterday urged shareholders to take no action. It stressed that Rexmore holding 26.1 per cent of Berisfords, had not undertaken urrevocably to accept the Allied offer, Allied's advisers, S. G. Warburg, confirmed that the Rexmore board is recommending the offer, but that it must be approved at an EGM of shareholders.

## Trencherwood's £1m issue

Trencherwood, the USM- Trencherwood specialises in quoted housebuilder and com- building up-market housing in mercial property developer, is to raise £1.32m through an issue

he admitted.

the area around its Berkshire

to raise £1.32m through an issue of 400,000 shares to fund further growth, writes Richard Tomkins.

Seven institutions will subscribe to the issue at 340p a sent six-year land bank had reshare, a premium of 3.7 per cent quired significant investment, above Trencherwood's price in and this, combined with its rethe week to April 14. The company's shares closed 20p up at rowings to the point where 355p yesterday.

#### DIVIDENDS ANNOUNCED Date Corre Total Total

		or sp			iast		
1.1.	payment :	payment	div.	year	rear		
Adwestir	it . 1.7	June 4			: 7.75		
APV Holdings	7.25	May 30 ·	6.75	11.75	11.25		
British Mohair	. 4.75	May 30	4.75	. 6			
Bruntons					3		
Chemical Methodst .	. 11	- June 6	3.5	í	3.5		
EIS Group	. 4.9	_	4.35	6.75	6		
Etam	3.1	July 4	2.1	4.25	· 3		
Albert Fisherin		July 4					
Fitch & Co	. 4.1	May 30			5.31		
Fogarty	2.65	May 22					
Fogarty	. 2.5	July 3		4.5	3.5		
Matthew Hall		July 1					
Hawker Sidderley				14.5			
Higgs and Hill			78	13.6			
Juliana's	1.23	June 27	1 23	2.1	2		
NEI	_ 3.6	July 1	36	5 95			
RMC Group	. 9.4	June 9	86	14	13		
Toye & Co	. 3.75		3	3.75			
Turriff	. 7	June 4	7	. 7			
United Ceramict	. 2.75	June 6	2.5	3.75			
Wade Potteriesin	t 1.1	June 6	1	<u> </u>	0		
Dividends shown i	n pence 1	ner chare	STATE	whom 's	ek amada.		
Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. + On capita							
increased by rights and/or acquisition legice + Tross							

increased by rights and/or acquisition issues. § Unquoted stock. § US cents throughout. 



#### Banque Nationale de Paris p.l.c. £25,000,000 Subordinated Floating Rate Serial Notes 1994

Holders of the above Notes are advised that copies of the Annual Report and Accounts for the year ending 31 December, 1985, are available from the Company Secretary, Banque Nationale de Paris p.l.c., 8-13 King William Street, London EC4P 4HS.



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## HAWKER SIDDELEY 1985 A YEAR OF **PROGRESS**

Profit before ta	12.1%	
Return on sales	9.4%	8.8%
Return on capital	18.3%	14.4%
Dividend per share	14.5p	11.8p
Earnings per share	48.1p	41.5p
minorities	£95.0m	£82.0m
Profit after tax and		
Profit before tax	£160.3m	£143.0m
Sales	£1592m	£1524m
T .	1300	1200

@ Earnings per share up by 15.9% Dividends up by 22.9%

18.3% Return on capital up to

Analysis by business sector Profit before Tax 1984 ЕM Electric motors & generators 16.8 30.9 22.0 Electrical distribution & controls 18.0 Electrical specialised equipment 26.7 30.1 Diesel engineering 46.3 37.6 Mechanical specialised equipment 9.5 Other trading activities 149.4 134.0 10.9 9.0 Interest income (net) **160.3** 143.0

Hawker Siddeley Group PLC 18 St. James's Square, London SW1Y 4LJ Telephone 01-930 6177

cluded improvements in the UK provements in performance of any major power station problem ares. In the last three and North America—profits of They state that the impact on orders the UK companies have years Extel Corp has lost more 18082m (525.64m) and 53.3m overseas trading of advance of the UK companies have

Higher taxable profits of £255,000, against £204,00, were attained in 1985 by United Ceramic Distributors, the USM-quoted distributor of wall and

floor tiles and kitchen furniture.

£7.82m and earnings per 20p share rose by 0.3p to 6p. The final dividend is being raised to 2.75p (2.5p), making a higher total of 3.75p (3.5p).

The company says that turn-over for United Tile in the first

quarter of 1986 continued to show an upward trend despite the severe weather. It is expected, following the lower-

Turnover rose from £6.94m to

rises to

**SU:** 

-:-

33

19.13.100

J.I.C.

- 14

£255,000

Company Design Consultants rose by 23 per cent to £1.64m last year, but the company said yesterday that the rate of growth was held back "by sig-

nificant investment in people, premises and new services."

The result compares with fl.24m last time, but with turn-over moving ahead from £6.92m to £9.21m this advance repre-

is more competitive.
"Through the policy of strong investment, the company

United Ceramic | Investment pegs Fitch & Co

Northern Engineering Industries, electrical, electronic and mechanical equipment manufacturer, has revealed virtually unchanged taxable profits of £2.8m (£1.69m).

The directors say the year was the shortfall was offset by way one of considerable progress, the figure achieved for 1985, which are was £30.1m.

Mixed results for the year included improvements in the UK

To directors say the year was the shortfall was offset by way of a £7.4m reduction in the particularly throughout the company's UK manufacturing operations, while last year's rationality sation yielded encouraging improvements in the UK

The directors say that some of worse in the short run as proving the shortfall was offset by way of a £7.4m reduction in the speculation has to be that a right issue cannot be too far off. North America, other thou, sation yielded encouraging improvements in performance.

The directors say that some of worse in the short run as proving the shortfall was offset by way of a £7.4m reduction in the speculation has to be that a right issue cannot be too far off. North America, other thought throughout the company's UK manufacturing operations, while last year's rational proving the short of the group's year end that the overdisting that the overdisting that the overdisting the directors say that some of worse in the short run as proving the shortfall was offset by way of a £7.4m reduction in the speculation has to be that a fight at £32m and likely to get worse in the short run as proving the shortfall was offset by way offset at £32m and likely to get worse in the short run as proving the shortfall was offset by way offset at £32m and likely to get worse in the short at £32m and likely to get worse in the short at £32m and likely to get worse in the short at £32m and likely to get worse in the short at £32m and likely to get worse in the sh

cluded improvements in the UK
and North America—profits of
£20.82m (£25.64m) and £3.3m
loss (£4.56m) and £4.26m

important areas or neatmeare products, exports and in the process engineering division.

The directors say these appointments will "greatly assist the company in 1986 which is likely to be a year of consolidation."

The god results from the home textiles side, directors state, reflects efforts in re-cent years to reduce over-heads and improve productivity with an improved pro-duct range and marketing

### PRE-TAX profits at Kuch & per share rose from 11.9p to its longest established and Company Design Consultants 17.5p, after a tax change of largest retail client has not only firted with other design groups, last year, but the company said yesterday that the rate of 13,000 to £17,000, offset by a growth was held back "by significant investment in people, premises and new services." having produced half of these profits — but product design has been identified as a key growth area. Although as Fitch accepts, it could take a long, long time for Britain's manufacturers to become as design over moving shead from £6.92m A hefty expenditure proto £9.21m this advance represents an erosion of margins. The company also said that the market for design continues to grow, but that the atmosphere is more competitive. "Through: the policy of grower: investment, the company and Woolwarth were the bigand Woolwarth were the bigfacturers to become as design conscious as its retailers. In the meantime margins are the only problem area, having fallen to 18 per cent in 1985 and strong investment, the company and Woolworth were the big-remains well-placed to expand gest contributors last year; upon our success in the coming Gatwick's Terminal Three, the being set to fall again to 15 per cent this year. The City expects profits of £2m and a p/e of 19 for 1986. With its projects in France and Holland Fitch will venture oversess again this year, but in the longer term its hopes are pinned on the US, where it plans to expand through Bruntons pessimism Pre-tax profits at Bruntons (Musselburgh), the Scottish steel wire manufacturer, moved ahead from £569,000 to £649.000

in 1985, but the company says that it is under increasing pres-sure and it will be difficult to achieve this level of profitability in 1986.

in 1988.

The business became difficult in the second half after a good period following the end of the miners' strike. There is still excess capacity in the wire sector of the steel industry.

The dividend is being held at 3p with an unchanged 1.5p final.

### at £2.6m after second half boost SECOND HALF taxable

profits of Fogarty, home fur-uishings manufacturer, ex-panded from £1.12m to £1.3m and lifted the full 1985 figure to £2.61m, against a previous £992.000.

After tax of £856,000, com pared with £327,000. earnings per 30p share are given as 9p (3.1p) while the dividend is stepped up to 4.25p (4.02p) with a final payment of 2.65p. Sales totalled £40.47m, against £35m.

The directors say that measures taken to expand production capacity will inevitably involve some short-term costs, particularly in the first half of the current year, and the company also has to cope with adverse affects of the weakness in sterling against European currencies.

However, they add that during the last year the senior line management was sub-stantially strengthened in the important areas of healthcare

They add that in 1987 the company should see full benefits of the expansion programme in home textiles and they remain confident that the process engineering division will become a maj re-contributor to profits in the medium-term.

approach.
The process engineering division reduced losses from £437,000 to £298,000.

不免的物理是以近天生命的自然的经验的经验的现在分词,不是是一个人,我们是一个人,我们是一个人,我们是一个人,我们们是一个人,我们们们们是一个人,我们们们们们们的一个人,我们们们们们们们们们们们们们们们们

### BOARD MEETINGS

Interims: Kalamazoo, New Central Withwatersrand Arees, North Atlantic Securities, Pict Petroleum, Finels: Anchor Chemical, Assemboasts, Benlard Concrete Machinery, Bentalls, SETEC, Brewnsker, British Empire Securities and General Trust, Brixton Estate, Horace Cary, Ex-Lends, Gold and Base Metal Mines, Hammaraon Property Investment and Development, Hestair, House Property Co of London, Laporte Industrias, Hecara International, McKechaie Brotifers, H. B. J. Quick, Scottish Mortgage and Trust, Smaller Companies Investment Trust, Tilbury, Westurn Dosary Tc., Wordpies Information Systems.

FUTURE DATES	1
Finels: ATA Selection Allebone Bramell (C. D.) Centreway Industries Centreway Trust England (J. E.) (Wallington) Falcon Industries Manor National Peul Michael Leisurewear 1 Amended	Apr 22 Apr 28 Apr 23 Apr 22 May 6 Apr 18 Apr 24 Apr 23 Apr 23

CARBORUNDUM

Abrasives pic

'A year of continued all

round improvement'

reports Trevor Egan Chairman and Chief Executive



NOTICE OF INTENTION TO REDEEM

To the Holders of

### BENEFICIAL OVERSEAS FINANCE N.V.

144% Notes Due May 15, 1990

NOTICE IS HEREBY GIVEN to the holders of the outstanding \$20,000,000 principal amount of the 144% Notes Due May 15, 1990 of Beneficial Overseas Finance My. that, pursuant to the provisions of the Fiscal and Paying Agency Agreement Dated as of May 15, 1980 and the Notes, Beneficial Overseas Finance N.V. intends to redeem on May 15, 1986 all of its outstanding Notes, at a redemption price equal to 101% of the principal amount thereof plus accrued interest to the redemption date.

redemption date.

Payments will be made on and after May 15, 1986 against presentation and surrender of Notes with coupons due May 15, 1987 and subsequent attached in lawful money of the United Kingdom of Great Britain and Northern Ireland (pounds) or, if a bolder so elects by irrevocable written notice to any paying agent not later than seven business days prior to such redemption date, in notice to suppaying agent not later than seven business days prior to such redemption date, in 18.5 dollars, subject to applicable laws and regulations, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, as Fiscal and Paying Agent, in the Borough of Manhattan, The City of New York, or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London, Paris or Zurich, All payments in pounds shall be made by cheque drawn on, or transfer to an account maintained by the payee with, a bank in London and payments in dollars shall be made by check drawn on, or transfer to an account maintained by the payee with, a bank in New York City, subject in each case to any laws or regulations applicable thereto.

Any payment made by transfer to an account maintained by the payee with a hank in the United

regulations applicable thereto.

Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury, the payee's taxpayer identification number (employer identification number or social perjury, the payee's taxpayer identification number who are required to provide their correct taxpayer identification number, on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

penalty of service and present and the period of the coupons pertinent thereto.

Notes surrendered for payment should have attached all immatured coupons pertinent thereto.

The coupon due May 15, 1986 is to be detached and collected in the usual manner.

From and after May 15, 1986 the Notes will no longer be outstanding and interest thereon shall

BENEFICIAL OVERSEAS FINANCE N.V. By: Morgan Guaranty Trust Company

OF NEW YORK, Fiscal and Paying Agent

 Pre-tax profit up 27.3% to £1.914m (1984-£1.504m) Medium term borrowings repaid Strong balance sheet—platform for growth Acquisition opportunities identified ANNUAL RESULTS 1984 £'000 Year to 31 December £,000 45,971 42,384 1,914 1,504 Profit before taxation 624 239 Taxation 6.4p Dividend per share 3.4p Earnings per Ordinary share 207p 202p The Company's shares are traded on The Over-the-Counter Market by Granville & Co. Ltd., 8 Lovat Lane, London EC3R 8DT. Market by Granville & Co. Ltd., 8 Lovat Lane, London EC3R 8DT Copies of the full Report and Accounts are available from H. Kirk, Cerborundum Abrasives pkc, P.O. Box 55, Trafford Park, Manchester M17 1HP.

ents of the Council of The Stock



d in England and Wales No. 1019027) 29.505.858 7<sup>2</sup>/<sub>4</sub> per cent. convertible cumulative redeemable preference shares of £1 each issued by way of rights at

PLC

The Council of The Stock Exchange has admitted the above-

mentioned shares to the Official List. Copies of the listing particulars containing particulars of the shares are available in the Extel Statistical Services and may be obtained during normal business hours from the Company Announcements Office, The Stock Exchange, London EC2 until 21st April 1986 and on any weekday (Saturdays excepted) up to and including 1st May 1986 from:

International Leisure Group PLC, Stockley House, 130 Wilton Road, Landon SW1V 1LQ.

Schingeour Vickers & Co., 20 Copthall Avenue, London, EC2R 7JS.

## Juliana's postpones investment in new ventures as profits dive

Juliana's Holdings experi-enced a near 54 per cent profits for investment, and the strength fall to £713,000 pre-tax in 1985 of sterling. which matches the last of three Ventures undertaken by varying forecasts made between the summer and the end of the A651.

After making a rights issue forecast of encouraging pros-pects in the middle of June and a forecast of further satisfactory progress in September, the company then warned in December that the outcome would be disappointing

Juliana's, engaged in contract discotheque operating, says the results were severely affected by a larger than expected loss by the Supersport associate, in which most of last year's £7m

Ventures Supersport were expected to provide profits in the short-term but these did not materialise, and the directors have decided to postpone plans for investment in new ventures until satisfactory returns are being achieved from the existing activities.

Profits from Juliana's stan-dard discotheque contracts did not quite achieve the same levels as in 1984, although the travelling discotheques and party organising services performed up to expectations.

the second half performance was below expectations. Nightclubs in both London and Amsterdam performed well.

Group turnover was up at £8.52m, against £8.08m, but operating profits were lower at £1.31m (£1.67m). This was further reduced by associate losses of £695,000 (£147,000) and interest charges of £479,000 (£206,000)—investment income was £565,000 (£224,000).

However, despite the profits fall and the lack of cover after a £167,703 extraordinary debit for the closure of Zig-Zag in Montreal, the proposed final dividend is unchanged at 1.2250. Equipment sales managed a making a higher 2.1p (1.995p)

NOTICE OF REDEMPTION to Holders of

### GENERAL CABLE OVERSEAS N.V.

81/4% Guaranteed Bonds due 1979/87

NOTICE IS HEREBY GIVEN that pursuant to the terms and conditions of the above issue US\$2,859,000 [Nominal] are to be redected at par on 15th May 1986. The following bond serial numbers have been drawn for redemption in the presence of a notary public at a price equal to 100% of the principal face amount. (Nominal) are to be redect

BONDS OF \$1,000 EACH

STRUCKERSON SAMESTON OF THE STRUCKERSON OF THE STRU is not listed above are not affected by this redemption. Bonds not listed above are late acceptably and payable on 15th May 1986 in the currency of the United States of America at the offices of the principal Paying Agent, Manufacturers Hanover Trust Co., 7, Princes Street, London; or at the holders option at Manufacturers Hanover Trust Co., Corporate Trust Office, New York; or, at the principal office at Banque Internationale a Luxembourg, Luxembourg.

Payment of the redemption price of the bonds called will be made upon presentation and surrender of such bonds with Coupons No. 15 and subsequent Coupons attached. Coupon No. 14 should be detached and encashed in the usual

Interest on the bonds drawn will cease on and after 15th May 1986.

GENERAL CABLE OVERSEAS N.V. By Manufacturers Hanover Trust Compa

Kleinwort, Benson Limited, 20 Fenchurch Street. London, EC3P 3DB. 7, Princes Street, London EC2P 2LR. Dated 17th April 1986

OUP  $(\mathbf{A}, \mathbf{V})$ AND



### **COMPAGNIE BANCAIRE** Incorporated in France with limited liability.

Ragd. Office: 5 avenue Kléber, Paris 16ème.

#### NOTICE TO SHAREHOLDERS

Following a Resolution passed at the Ordinary General Meeting on 25th March, 1986 a dividend of Frs.10.00 per share of Frs.100 nominal for the year ended 31st December, 1985 was declared payable from 2nd April, 1986 as follows:—

Residents of the United Kingdom will receive Frs.7.50 per share of Frs.100 nominal.

#### Settlement of Additional Payments:-

Under the terms of the Double Tax Convention between France and the United Kingdom, residents of the United Kingdom will receive, subject to the completion of Form RF4-GB, on or after 15th January, 1987 an additional Frs.5.25 per share thus increasing their dividend to Frs.12.75 per share.

Holders may however, submit Form RF4-GB at anytime up to 31st December, 1987

Payments will be subject to deduction of United Kingdom Income Tax at the standard rate of 30%.

Claims should be lodged with: S.G. WARBURG & CO. LTD.. Bond Department, 33 King William Street,

London EC4R 9AS

Crédit Lyonnais. 89/94 Queen Victoria Street, London EC4P 4LX,

Banque Paribas,

33 Throgmorton Street, London EC2N 2BA, Société Générale.

60 Gracechurch Street, London EC3V 0HD, from whom claim forms and further information can be

Copies of the Annual Report and Accounts will be available in French and in English on application to S.G. Warburg & Co. Ltd.



Turnover

Profit before tax

Earnings per share

Ordinary dividends

Turnover in 1985 was approximately the

same as in 1984 but profit before tax doubled from £7.5 million to £15.0 million. This

reflects the success of the action taken since

July 1984 to reduce costs and improve mar-

Overseas subsidiaries contributed over 70 per cent of our trading profit, due mainly to greatly improved results in North America and the Asia Pacific region. The restructured business in North America is

now better equipped to meet market requirements and another satisfactory year is expected in 1986. Continued growth can

again be expected from the Pacific region.

In Europe profits also improved in 1985 and recent orders will help to ensure another good year. In the United Kingdom, with the exception of APV International, most subsidiaries had a satisfactory year.

We made good progress in 1985 on our

rationalisation programme. It is, however, a

continuing one and the full benefit will not

Financial disciplines within the group

have been strengthened. This has resulted in better management of assets and a reduc-

The accounting policy for the valuation of certain stock and work in progress has been revised; the reduction arising from this revi-

sion has been charged as a prior year adjust-

ment, with a consequential restatement of

opening reserves and of the comparative

We shall continue to give the highest

priority to the growth of our mainstream business as designers and manufacturers of process plant for the food and beverage industries of the world. Our objective is to

Profit after tax

Debt/equity

**Trading Results** 

Rationalisation

be achieved until 1987.

tion in working capital.

Business development

figures for 1984.

### Etam gains market share and surges 40% to £12m

t 16.6 per cent. were The directors say the strong tions. performance over the latter part of the period resulted in a satisand girlswear group was trading from 116 outlets, compared (8.74p) and a final dividend of with 111 previously. Square 3.1p makes a total of 4.25p (3p) footage at 283,500 was 8 per cent net per 10p share. footage at 200,000 was a part of the period and a further 38,000 sq ft is expected to be open for trading during to be open for trading during dulest, but worthiest member that the contract the contract to be open for trading during the con

the current year.

Since February I the group has purachesd, or has contracted to purchase, freehold and long leasehold interests for a total years ago. This set of results to spend it. Etam is busily recruiting its first "acquisitions manager" and is searching for opportunities in "complementers of the results of the r

were below directors' expecta-

Turnover for the past year increased to £71.21m (£56.48m) ctory increase in market share and trading profits pushed at year-end the womenswear ahead from £8.63m to £11.81m.

GOOD CHRISTMAS trading acquire additional trading sites and a strong January sales performance, enabled Etam to lift its profits to £12.05m pre-tax over the 53 weeks ended February 1, 1986, on increases of 40 per cent over the previous year's £8.6m.

Net trading margins showed an improvement of 1.3 per cent at 16.6 per cent.

Trading conditions in 1986 have been difficult and although were ahead of last year's they were below directors' expectations.

The company's strategy of providing cheap and cheerful clothes for young Cl C2 working women without recourse to fights of fancy like the galleria, have been difficult and although the profits of the first ten weeks are ahead of last year's they were below directors' expectations. both margins and profits.
Margins increased from 15.3 to
16.6 per cent last year and
should increase again in 1986.
While profits should rise to £14m or so producing a prospec-tive p/e of 16. Etam has always held that the optimum size for its chain would be 150 shops. With 14 new units scheduled to open this year and 116 existing shops, it is fast approaching its natural limits. The company has been sitting on a cash surplus for years and is now scouting about for ways to spend it. Etam is busily recruiting its first "acquisitions manager" and is searching for opportunities in "complemen-

# Allied Plant pays preference arrears

butor, has more than doubled ary dividend payments in the pre-tax profits for 1985 and is settling all outstanding arrears of preference dividends.

The doubled consider a resumption of the amount of the payments in the group's rise in borrowings last year.

1986—the last ordinary payment of preference dividends.

Since the year-end the stock level has been substantially

On turnover up by 38 per cent from £8.21m to £11.35m. taxible profits expanded to £425,000, compared with £207,000 previously.

1985

£m

409

15.0

7.7

23.8p

11.75p

8%

achieve continuous improvement in our

technology, through increased involvement in research and development. Organic

growth based on improved products, processes and marketing will be supplemented, where appropriate and practicable, by acquisition. Our strong balance sheet will

In March 1986 we agreed to form a joint venture with the process equipment division of Holstein & Kappert GmbH, which is a world leader in the design and manufac-

ture of special hygienic valves for the bever-

age industries and a specialist supplier of

filtration and carbonation plant for the

Capital expenditure

The capital budget for machine tools in
1986 is twice as high as in any of the past three years. The first phase of a planned re-

equipment programme to update APV International's factory at Crawley will be undertaken this year. This reflects our

intention to concentrate manufacture of

most group products in two advanced

facilities – one at Lake Mills, Wisconsin and the other at Crawley – and so to increase our

ability to meet international competition,

Orders in hand were about 8 per cent

higher at the end of 1985 than at the begin-ning. The trend of order intake in the last quarter of 1985 and the first quarter of 1986

has been rather flat, but there are indica-

tions of improving opportunities in several areas. There is also scope for further improvement in profitability as a result of

the management action referred to earlier.

With the increase in profits in 1985 and the improvement in their quality, your

board are recommending an increase in the final dividend from 6.75p to 7.25p per share.

from whatever source.

Prospects

Dividend

dairy, brewing and soft drink industries.

APV HOLDINGS

Extracts from the statement by the Chairman, Sir Ronald McIntosh KCB

help in this.

Allied Plant Group, the restoring the preference pay- ing budget and was caught with North Humberside-based plant ments the group will be able to abnormally high stocks. This hire and fork-lift truck districconsider a resumption of ordin-accounted entirely for the

During 1985 there was a useful advance in both the fork-lift and portable accommodation divisions, the directors say, although the agricultural sector The directors state that by fell somewhat short of its trad-

1984

 $\mathfrak{L}\mathbf{m}$ 

412

7.5

2.5

7.7p

22%

reduced with a corresponding reduction in borrowings, "which are set to fall still further during the course of the year," the directors say.

They add that the agricul-

tural division's performance during the first quarter of 1986 was up to budgets which, if the trend continues, will show a substantial advance over 1985.

As a result of the recently-announced acquisition of Trevor Crocker shareholders' funds stand at £4.5m. The directors explain that the group now has two distinct divisions specialist hire and distribution, and an international consulting practice. The latter division, they state, is essentially cash generative and enables Allied Plant to continue the expansion of its cash consuming hiring operations without detrimental effect to the balance sheet. There is again no tax charge after which earnings per 5p share are shown as 1.55p (0.94p).

### **Frost Group** at £1.4m as margins rise

The Frost Group, engaged in financial services, petrol retailing and sales promotion, increased 1985 pre-tax profits by 35 per cent to £1.41m from a turnover just 4.7 per cent ahead at £89.31m.

The directors say improved margins were a direct result of shedding lower margin business, such as licences and tenancies on petrol stations and replacing

on petrol stations, and replacing it with higher margin business

it with higher margin business from the company's increasing number of freehold sites.

The current year has started "extremely" well and they are confident of further progress over the 12 months.

Earnings for 1985 emerged at 9.3p, against a previous 7.17p, and a final dividend of 2.5p (2p) raises the total by 1p to 4.5p net raises the total by 1p to 4.5p net per 25p share.

per 25p share.

Tax accounted for £314,000 (£210,000) to leave net at £1.09m, up from £829,000.

Minorities took £82,000 (£175,000).

### Modest progress at Toye & Company

Virtually unchanged profits of £365,000 (£330,000) are reported by Toye & Company, a holding company with interests in civil and military regalia and jewellery, for 1985.

The directors say progress has been achieved on basic trading without any lucrative has been achieved on basic trading without any lucrative export contracts coming to fruition as in previous years. The liquidity position remains favourable and the company continues its quest for suitable acquisitions.

From the level of enquiries and already good order books in certain areas, the indications are that there will be further progress in 1986.

The dividend is raised from 3p to 3.75p net. Turnover amounted to £7.01m (£6.63m).

ATLANTIC RESOURCES, oil and gas explorer, returned attributable losses of £1.63m (£1.89m) in 1985 after tax of £232.000 (£598.000). Production revenue totalled £1.08m (£1.06m). The company's shares are unquoted.

U.S.\$75,000,000 SWEDBANK SWEDBANK
(SPARBANKERNAS BANK)
Subordinated Floetling Rete
Notes due 1997
Notice is hereby given that for the three
months interest period from April 17,
1986 to July 17, 1986 the Notes will carry
an interest rate of 7%% per annum.
The interest payable on the retevent
interest payment date, July 17, 1986 will
be 34,463,11 and \$178.52 respectively
for Notes in denominations of \$260,000
and \$10,000. The sum of \$178.52 will be
payable per \$10,000 principal amount of
Pegistered Notes.

The Chase Manhattan Bank, N.A. The Chase Manhettan Bank, N.A. April 17, 1988 Landon, Agent Bank.

### **Adwest** expects to top £8.7m

Adwest Group, the Berk-shire-based engineer, has notched up a 10 per cent notched up a 10 per cent increase in interim profits and Mr Frank Waller, the chairman, says that an improved full year result is expected. At £3.14m pre-tax, the result for the six months to end-December 1985 compares with £2.86m for the first half of 1984. Profits for the whole of 1984.85 reached £8.7m.

of 1984-85 reached £8.7m.
The interim dividend is being raised by 6.25 per cent to 1.7p.
First half turnover improved from £35.94m to £39.13m, a rise of 8.9 per cent.

Apart from Bowden Spain, all group companies were profitable although a reduction in tractor schedules adversely affected Burmans, and will continue to do so in the second half.

#### comment

After a sluggish performance last year in which its performance was held back by strikes, investors had been expecting something a little livelier than a mere 10 per cent growth from Adwest yester-day and the shares reflected their disappointment with a 16p fall to 208p. Pessimism would be premature, however: Adwest tends towards caution and the prospects for the second half are better than the restrained interim statement suggests. Burmans may still be causing problems but Bowden Spain will be break-ing even, and with more work on overheads in the engineer-ing, automotive and electrical divisions and another lively performance from the pro-perty side, at least £10m is in sight. After a 38 per cent tax charge, the shares look attractive on a multiple of under 11: anything in the engineering sector on a p/e of up to 10 looks vulnerable to a bid these days, and with Adwest's asset backing probably well exceeding its share price on a realistic valuation of its property, it must be among the more promising candidates.

### Yearlings total £8m

Yearing bonds totalling \$8.05m at 9 % per cent, redeemable on April 22 1987, have been issued this week by the following local authorities. Regular Junear Tread Die. ties; Berwick-upon-Tweed Dis-trict Council £0.5m; St Helens Metropolitan Borough Coun-cil £0.5m; Maldon DC £0.5m; Rochdale MBC £1.3m; West Oxfordshire DC £0.25m; Edin-burg (The City of) DC £1m; Fife Regional Council £1m; Bolton MBC £1m; Sheffield (City of) £2m. (City of) £2m.

### ISSUE NEWS

### Dean & Bowes set for USM flotation

BY RICHARD TOMKINS

Dean & Bowes, a Cambridge-shire-based refurbisher of pubs service for refurbishment con-and clubs, is planning to raise tracts and does building and its profile with a flotation on the Unlisted Securities Market Last year 49 per cent of work next month.

The company's operating profits have grown from £36,000 in the year to December 1981 to £478,000 last year amid a rise in spending on refurbishment in the brewery and leisure industries.

industries.

Mr Stephen Dean, chairman, says Dean & Bowes is benefiting from an awareness among pub and club operators that they have to be increasingly competitive in what they offer customers.

The company was formed in 1977 as a flooring supplier to the leisure industry. Its main activity is supplying floor cover-

Last year 49 per cent of work came from the Berni Host group and another 38 per cent from Mecca Leisure and Charring-

Dean & Bowes hopes the USM flotation will give it a higher public profile and provide the means to make acquisitions in this fragmented industry. Of the £500,000 likely to be raised through the issue, about £50,000 net will provide working capital and the rest will go to the directors.

The company's capitalisation will be about £3m and it will come to the market on an historic p/e ration of about 11. ings and furniture for refurbish-Brokers to the issue will be ments, but it also provides a Earnshaw, Haes.

### **Lodge Care set for USM** with value of £4.3m

Lodge Care, a company acquire its first home, Willett running old folks' homes in Lodge, in Worthing.

Worthing and other south coast

As Lodge Care's homes have Worthing and other south coast towns, is joining the USM's

The company has 12 nursing homes for people who need medical assistance and four residential homes where the need for nursing care is less. It claims to be one of Britain's largest operators of homes for the elderly.

It was founded in 1964 by Mr sold by the company, raising Nigel Balcombe, its chairman, nearly £1.2m net which will be and began trading in 1970, used to fund its expansion. Initially as an operator of two other USM private health hotels in London. In 1973, the care companies are West Variables were sold and the ordinaries are being sold by the company, raising other than the care companies are well and the ordinaries are being sold by the company, raising other than the care companies are being sold by the company, raising ordinaries are being sold by the company.

grown in number, pre-tax profits have risen from £89,000 in growing private health care 1981, to £406,000 last year. On sector at a market capitali-fully-diluted earnings and an sation of £4.3m.

actual tax charge of 39 per cent,

1991-96 at £1. All the preference shares and 1m of the ordinaries are being

hotels in London. In 1973, the care companies are West York-hotels were sold and the grow-shire Independent Hospital. ing demand for old peoples' Swindon Private Hospital and homes led the company to Health Care Services.

### Flotation for D Y Davies

tural practice with the flotation. a 44 per cent tax charge.

this week of D. Y. Davies.

1981 to £315,000 last year at the pre-tax level. At least £750,000 is forecast for the current year,

THE Unlisted Securities Marputting the shares on a pros-ket is to gain its first architec-

D. Y. Davies comes to the The company is coming to the market at a time when competition among architects has intensified because of the relaxation of rules on advertising and by brokers Capel-Cure Myers, the abolition of mandatory fee giving it a market capitalisation, scales.

of £7.8m.

Profits have made lumpy progress over the last five years because of the uneven flow of work, but have grown from £163,000 for the year to April its computer aided drafting facilities. lities and partly for working capital.

# Preliminary Announcement Year ended 31st December 1985 Financial Highlighte

1985	1984
£m	
	£m
	1174.9
56.0	54.7
12.1	15.5
22.6	15.2
90.7	85.4
70 7	01 7
<del>-</del>	81.3 45.1p
	22.6

are to recommend a final dividend of 9.4p per share which, together with the interim of 4.6p, makes a total of 14.0p per share for the year (1984 13.0p).

The 1985 Annual Report will be posted to shareholders on 13th May 1986.

# RMC Group p.l.c.

RMC House, High Street, Feltham, Middlesex TW134HA.

Operating internationally in Austria, Belgium, France, Holland, Israel. Republic of Ireland. Spain, Trinidad, United Kingdom, USA and West Germany

### APV HOLDINGS PLC

APV - market leaders in advanced process plant for the food and

beverage industries.

APV House, Manor Royal, Crawley, West Sussex RH10 2GZ.

The AGM will be held on Friday 23 May 1986 at the Institute of Directors, 116 Pall Mall, London SW1.

The above figures are extracted from the full historical cost accounts of the group for the year ended 31 December 1985 on which the auditors have given an unqualified opinion. The full accounts will be filed with the Registrar of Companies ofter the Annual General Meeting.

### **BUSINESS LAW**

# Time to raise confidence in the legal profession

By A. H. HERMANN, Legal Correspondent

three teams of consultants to carry out studies of commercial

ment—a major activity of county courts—will be computerised. If carried out, these reforms are likely to cut out much dead wood—and unnecessary speech-making—from the present structures and make the machinery faster, cheaper and more effective.

This acceptance by Lord Hailsham that something has to be done is contrasted by the profession's resistance to change, so far breached only by the Law Society's recent claim for wider rights of audience in courts, bound to lead ultimately to the fusion of the two branches of the profession, and consequently to a reduction of delays and consequently to the fusion are not rigorous enough. Third, that the law enables the lead ultimately to the fusion of the two branches of the profession, and consequently to a reduction of delays and consequently to the fusion are during the law society in the law society in the law society is methods. There is methods. There is and for many years exploiting a for many years exploiting a society many many that the Law Society has been for many years exploiting a society in the law society and the law society has been for many years exploiting a society in the law of the law society in the law society in the law of the law society in the law society in the law of the law society in the law society in the law of the law of the law of the law society in the law of th that the younger members of the Bar have succeeded with their view that reform can no longer be resisted. But it could also be only an attempt to placate the public's distatisfaction by the time-honoured faction by the time-honoured method of establishing a new committee. Only time will show

Much of the public dissatis-faction with the profession is fuelled by the absence of adequate provisions for dealing with complaints. No industry, trade or profession can

carry out studies of commercial cases, debt and housing cases as part of the Civil Justice Review and to produce consultation papers by the end of the next year. Almost simultaneously the Law Society and to improve the service which the profession can give the public.

Add to this that in the same week appeared the Lay Observer's report on the Law Society's handling of complaints against solicitors, and a survey commissioned by the Law Society with the aim of investigating how solicitors are used and to what degree their services satisfy the public.

After continuous of commercial cases, debt and housing cases procedures are now well established for most consumer products and services but not for, those of the lawyers. The Bar those of the lawyers and the procedure and beyond repair.

Complaints and arbitration

missioned by the Law Society with the aim of investigating how solicitors are used and to what degree their services satisfy the public.

After centuries of stubborn silence, one is tempted to conclude that improvement is now on the way.

But is it really? Some very promising steps have been taken in the past year by the Lord Chancellor, yielding to public pressure repeatedly voiced in the Financial Times in the course of the past 10 years. Lord Hailsham approved in principle fairly radical rationalisation of civil procedure in the Commercial Court and in dealing with claims for personal injuries. He also announced that debt enforcement—a major activity of courts—will be computerised. If carried out, these reforms are likely to cut out must dead wood and the post of Lay Observer from the post of Lay Observer from the post of Lay Observer at the end of 1985 and was reatisfied on the legal to confidence in the legal profession, without which even pondence in the legal profession, without which even pondence in the legal profession, without which even pondence in law itself is being confidence in law itself is bei

for many years exploiting a hoophole in the law. It is wrong for the Law Society to act on the one hand as the solicitor's defence organisation and trade union and on the other to adjudicate disputes between solicitors and their dissatisfied

clients.

Coopers and Lybrand, the consultants commissioned by the Law Society to report on its complaints handling and discipline, concluded that complaints should be handled by a statutory board independent of

city (7)
6 What makes drips feel so

ments? (4-5) 7 French lethargy (5)

artist (9)

pleased with their achieve-

Solid achievement by

18 Fast-growing spring flower?

Coalminer's union? (4) 21 Remove all traces (7) 22 Resort of a hundred girls

(6)
24 Left an Arab port with
cargo on board (5)
25 Mackerel bait? (5)

Solution to Puzzle No. 5,998

WITHIN A single week two important initiatives have been taken to improve the English machinery of justice. Lord Hailsham, the Lord Chancellor, announced the appointment of three teams of consultants to beyond repair. another option under which the solicitors' complaints board would be established by the Law Society. It should operate through two committees, of which one with a lay majority would investigate and the other with a majority of solicitors would adjudicate on the basis of facts found by the investigat-

is able to say, not even the Lay Observer, where the dividing lines between negligence, incompetence and unprofessional

Nevertheless, the Law Society Nevertheless, the Law Society has been happily insisting that questions of solicitors' competence raise legal issues which it cannot investigate. "If you think your solicitors have not handled your case properly or even have been negligent," it writes to dissatisfied clients, "this is a matter of law rather than professional conduct." And as it is a matter of law rather than pro-fessional conduct." And as it is a question of law, the Law Society suggests that the unfortunate client who has already been disappointed by one solicitor should turn to another and if claim in courts. Needless to say such advice is of no use to those who are not eligible for legal aid or are very rich, in which case they hardly need it.

This structural weakness of the Law Society complaints procedure has been acknowprocedure has been acknowledged by the Royal Commission
on Legal Services which
recommended in 1979 that the
Law Society should not reject
out of hand complaints of
should work by solicitors. To
overcome its resistance to this
recommendation, the 1985
Administration of Justice Act
gives the Law Society power to gives the Law Society power to reduce or waive solicitors' fees

when it finds that they done bad work. The Act states that in considering whether their decision could be prejudicial, the Law Society should take into account whether the dissatisfied client intends or not to pursue his claim in courts.

Some may think that the Law Society always had these powers but their statutory affirmation, together with the Lay Observer's insistence on their use, should lead to a substantial improvement. Unfortunately. use, should lead to a substantial improvement. Unfortunately, these provisions have not yet been brought into force by the Government which is waiting for the completion by the Law Society of its new complaints

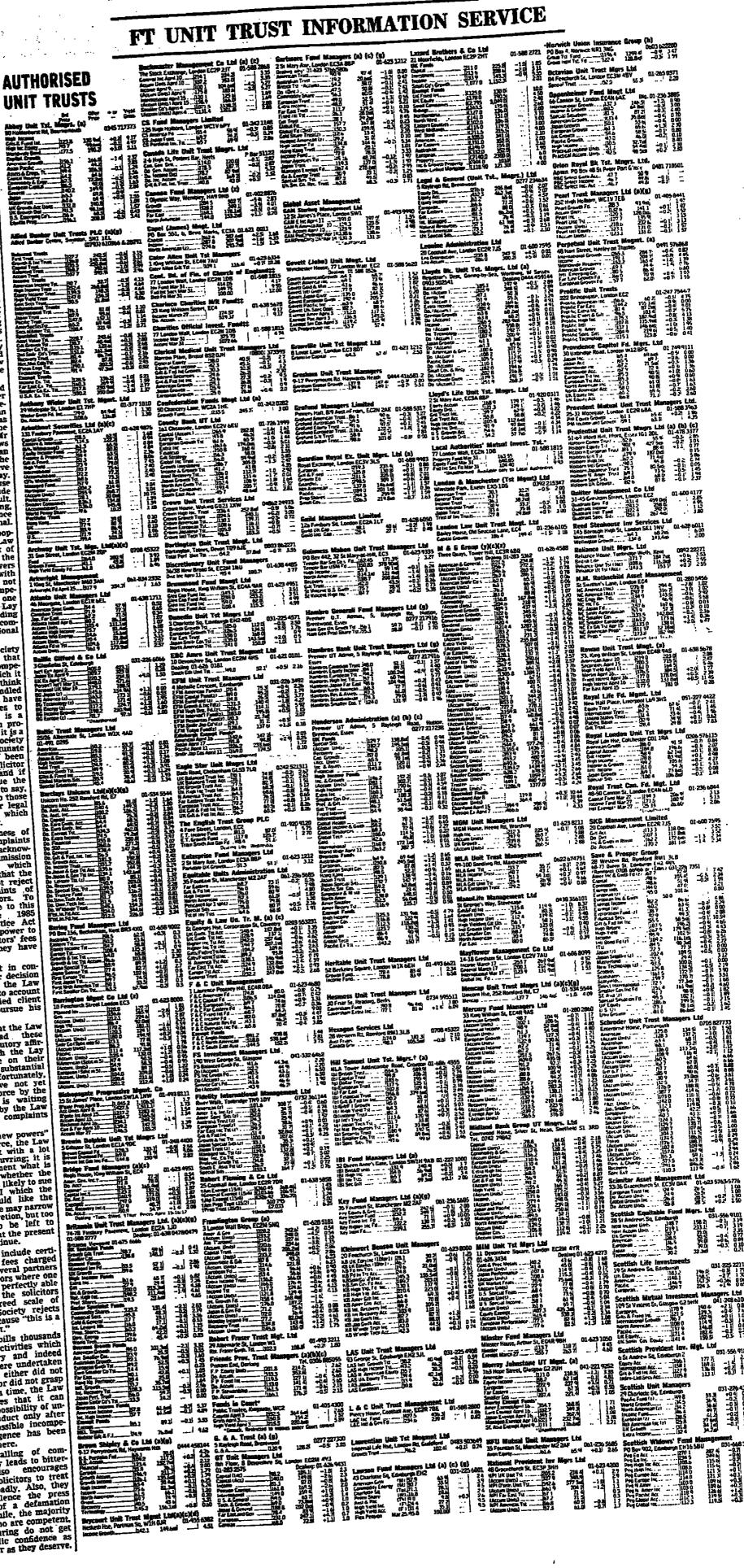
Even when the "new powers" are brought into force, the Law Society will be left with a lot of space for manoeuvring; it is a matter of judgement what is shoddy work and whether the dissatisfied client is likely to sue or not. A manual which the Lay Observer would like the Law Society to issue may narrow somewhat the discretion, but too much is likely to be left to much is likely to be left to justify the fear that the present practices will continue.

These practices include certi-These practices include certifying as correct fees charged for the time of several partners or assistant solicitors where one should have been perfectly able to manage. If the solicitors overstep the agreed scale of fees, the Law Society rejects the complaint because "this is a matter of contract."

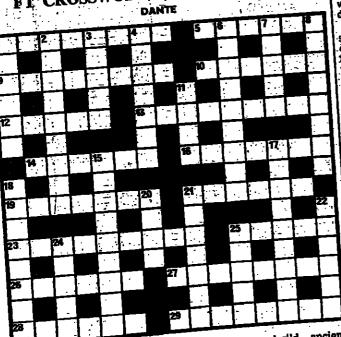
If a solicitor bills thousands

If a solicitor bills thousands of pounds for activities which or pounds for activities which were unnecessary and indeed damaging and were undertaken only because he either did not read the papers or did not grasp their meaning in time the Law their meaning in time, the Law Society concludes that it can investigate the possibility of un professional conduct only after the issue of possible incompe-tence or negligence has been decided elsewhere.

Such stonewalling of complaints not only leads to bitterness but also encourages irresponsible solicitors to treat their clients badly. Also, they can try to silence the press with threats of a defamation action. Meanwhile, the majority of solicitors who are competent, honest and caring do not get as much public confidence as NHS doctors or as they deserve.



FT CROSSWORD PUZZLE No. 5,999



ACROSS

- 1 Philby seen in the field (5,3) 5 Start in Ringway, finish in
- 7 French lethargy (5)
  8 Intended to put one's name in a legal document (8)
  11 A rise for flying men, now well off (4)
  15 What you have to do to become one (9)
  17 Solid achievement by an Belgium (6)
  9 As 2 pre-Raphaelite he pledged himself to resist 10 Fits of amnesia are safest
- for those using guns (6)

  12 Gets on with the passengers
- 13 Children love very running water (9)
  14 Enjoy good taste (6)
  16 Reproduce? (2-5)
- 16 Reproduce? (2-5)
  19 Properties on the American
  Atlantic seaboard (7)
  21 Able to help us with processed fuel (6)
- 23 Rapid communication could be a great help (9)
- 25 Returned copies include one in colour (5) 26 The club for swinging types
- 27 Begin an unusual run as top of the bill (4,4) 28 At some distance from Rodney (6) 29 Put up with the closed shop
- (8) 1 Economic growth? (6) 2 Rebelling against authority, gers run in Perhaps (9) 3 Waste grounds (5)

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### COMMODITIES AND AGRICULTURE

### Zimbabwe tobacco in cost squeeze

By Tony Hawkins in Harare

ZIMBABWE'S 1986 flue-cured tobacco auctions open in Harare next Tuesday against a background of increased— though below-target—output, rising production costs and declining industry profit-

ability.

Tobacco is Zimbabwe's chief export, valued at \$220m or one fifth of total exports last year, and growers have been seeking to boost their output and world market share for a number of years. According to Commonwealth Secretariat figures, the country is now the world's fifth largest exporter of unmanufactured tobacco. factured tobacco.

But this season, adverse currency movements have started to have an adverse effect on the relationship

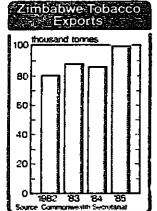
between growers' costs and selling prices.

For 1986, the industry is forecasting leaf production of 115m kg — well below the original target of 132m kg owing to lower-than-anticipated plantings and heavy mid-season rains, but 10 percent above last year's relatively small crop.

#### Modest rise seen

After last year's wide fluctuations in prices no one is keen to offer a 1986 price forecast, but the general fecting in the industry is that the growers can look to a modest improvement of the order of 10 per cent.

In Zimbabwe leaf quality is expected to be good, if



variable, and this combined with the fact that output will be at least 15 per cent below target, points to some hard-ening of prices.

Zimbabwe is moving

Zimbabwe is moving against the world trend in expanding output. Global leaf production of all types of tobacco feli 5 per cent between 1982 and 1355 to just over 6m tonnes. Consumption increased by 4 per cent last year to 5.6m tonnes which was well above the trend growth rate of 1 per cent annually. But consumption growth is largely confined to the developing countries of South-East Asia, China and Eastern Europe. Health worries allied with higher taxes and prices have resulted in falling per capita consump-tion in the US, Britain, Japan and Australia, but eigarette consumption increased last year in France, West Ger-

### Leaf quality

Despite this rather gloomy scenario. Zimbahwean pro-ducers believe they can increase their market share primarily by growing highquality leaf.

In this situation, exchange rates are crucial and the rates are crucial and the Zimbahwean producers have been sustained by currency depreciation which has allowed them to earn more in local currency despite a weakening world market price. Thus, in 1981 when the Zimbahwean auction floor Zimbahwean auction floor price averaged 183 cents a kilo, this was equivalent to 254 US cents a kilo .By last season, the Zimhabwe dollar person, the Zimbabwe dollar price had risen to 288 cents, worth only 160 US cents a kilo. Thus a 46 per cent increase in the Zimbabwe dollar price was reflected in a 38 per cent fall in the US dollar price.

dollar price.
In the past currency depre-ciation had a far less dramatic impact on production costs than on selling prices. Thus when the Zimbabwe dollar was devalued by 20 per cent in December 1982, (Vacco production costs rose less than 3 per cent. Unfortunately, this relationship seems to be changing with growers saying that in the past year their production costs have risen by 25 per cent, partly as a result of local price increases—36 per cent in the case of coal and 17 per cent for labour but also imported imputs are costing much more with diesel fuel and fertilisers both up more than 30 per cent and chemicals costing 27 per cent

At this stage, it seems that profitability will be squeezed during 1986 since average leaf prices are unlikely to keep pace with cost inflation. Some merchants feel the growers will be doing well if they can secure a 12 per cent price rise to around 300 cents a kilo (180 US cents). With a 115m kilo crop this would industry tobacco revenue 20 per cent to some Z\$340m (US\$200m), while caports would rise to my e than \$400m (\$240m) from \$367m (\$220m) last year.

# High stocks keep palm oil market under pressure

DESPITE SEVERAL recont attempts by refiners and Japanese multinational trading houses to lift the market, palm oil prices remain under severe and continual pressure from high stocks, slack demand and bearish production estimates. bearish production estimates, bargains are no longer to be according to European mer had by waiting.

origin market yesterday as traders absorbed the impli-cations of higher than expected first quarter production estifirst quarter production esti-mates and the near certainty import 30,000 tonnes and China of worse to come.

March output of crude palm

oil in Peninsula Malaysia totalled 284,000 tonnes which with East Malaysian output of betwen 30,000 and 40,000 tonnes points to a 40 per cent increase over March 1985's all Malay figure of 225,000 tonnes and indicates January/March output of 1.03m against 691,400 in the same period last year.

If output follows the normal seasonal pattern a rise into the spring peak of at least 25 per cent, possibly far more, should take place in either April or May, although current trade forecasts are for production of between 305.000 and 310,000 depression and current low tonnes. In the second quarter 1985 the monthly output averaged only 241,000 tonnes.

Prospects for much higher

Whether that can rescue

production are already reflected prices in anything but the long in the erosion of premiums on forward shipments, which had swelled to \$30/40 when spot prices crashed to a record low

tinues between Malaysian officials and the trade over just mulated in origin tanks. Official figures indicate between 700,000 close to 900,000 tonnes, Stocks Jakarta.
are posing other problems too. Most state plantations are are posing other problems too. Most state plantations are Up to 100.000 tonnes of crude producing CPO at between \$240 palm oil held for too long in and \$270 a tonne, while export storage has begun to oxidise, building up an undesirable free and \$200, he said. But some fatty acid content which will have to be lowered before at around \$180 a tonne, he refining if the oil is not to be sold at a discount.

Mr Affandi said state plantations are producing CPO at between \$240 producing CPO at between \$190 producing CP

depressed by the failure, first spending on maintenance and of drought, then of excessive accounting for depreciation to rains, to boost competing cut costs. But this can be done Brazilian soyabean oil prices, for three years at most, he said. These are now expected to ease as new crop marketing gathers pace despite a smaller harvest against last year. There are the Minister estimated. already signs of aggressive selling pressure on the export

BY LOUISE KEHOE IN SAN FRANCISCO

gold miners is revitalising the traditional industry of the Gol-

Gold production in California has risen dramatically in the past five years — from only a

Mr Ralph Lloyd, a division official, says that annual Cali-fornian gold production could

operation is the San Franciso-based Homestake company's McLaughlin Mine, an open

pit mine officially opened last September that promises to

yield more gold than any other in California this century.

Other companies are reworking the old mines of the "mother lode" in northern California's

traditional gold country: for example, the Jamestown Mine,

which is to reopened by Sonora Gold, in southern California. Consolidated Gold Fields' Mes-

quite Mine is another major new mine which started pro-

There also are half a dozen or more prospects that may yield significant finds.

The McLaughlin Mine built by UK contractor Davy McKee, north of San Francisco on the site of an 1860 quicksilver mine, is expected to yield about 3m nurses of gold over a 20-year

3m ounces of gold over a 20-year life span, making it one of the largest open pit gold mines in

State mining experts estimate

that Mesquite and Jameslown are each capable of producing a

McLaughlin.

duction earlier this year.

den State.

# begin strike

cnants.

Malaysian refined bleached and deodorised oil, the international benchmark fell \$10 per tonne to \$265 on the foborigin market vesterday as the cheaper levels and could lift between 40,000 and 50,000 tonnes each this month. tonnes each this month, although Indonesia, a rival supplier, still appears to be filling some of these orders.

> and the USSR combined about 20,000 tonnes. But perhaps the biggest potential growth area is the US. This destination boosted imports last year by 44 per cent to 213,000 tonnes unleashed by the lower prices. Traders point out that US refiners are becoming far more receptive to the idea of using tropical oils, an ironic legacy of the 1983 US drought which kept prices of soyabean oil at

large premiums. The US imported 500.000 tonnes of palm in the mid-1970s during a similar period of depression and current low

term is dubious however. On current indications 1986 Malaysian production looks set to rise to between 4.5 and 5m tonnes, \$200 in late February. far higher than earlier esti-Meanwhile the debate con- mates and compared with only 4.1m last year.

• Indonesian plantations have

been exporting crude palm oil (CPO) at below production cost Mr Ahmad Affandi, the and 800,000 tonnes but many Agriculture Minister, has con-observers believe the figure is firmed, reports Reuter from

Mr Affandi said state plantahave been told to put off Indonesian palm oil produc-tion will rise to 1.3m tonnes this year from 1.26m last year,

He said that output will grow to 2.1m tonnes in 1988, 4.2m tonnes in 1990 and 6.2m tonnes

Gambling for high stakes

A NEW California gold rush is under way. Not far from where the original Forty-niners staked their claims, a new generation of Mining Association, news of the finds in neighbouring Nevada,

past five years — from only a few thousand ounces in 1980 to 38,000 ounces in 1983 and an estimated 150,000 ounces last year, according to the California Division of Mines and Geology.

Mr Ralph Lloyd, a division official, says that annual Californian gold production could formly a few thousand ounce in 1980 the precious metal, says Mr and far more expensive. Homestake's problems with the McLaughlin mine project were made particularly challenging many of the dumps left by the by the fact that the site spans old-timers were reworked. Then different counties and includes both private and public sin a lot of the suade shoe.

amount to 800,000 ounces in the next few years, with several new and refurbished mines coming on stream.

The most important new types."

The solid companies with a serious interest in gold min. The most important new types."

The most important new types."

The properties of the area, the environmental studies and mitigation measures accounted for "a significant proportion of the total project.

Los Angel

ing started prospecting in California again after Home-stake announced its find in 1979,

Even more important for the

The success of Homestake, the largest US gold producer, in bringing the McLaughlin mine pact of regulatory control in pact of regulatory control in this previous control in this previous control in the mine, averaged over several years of operations, including the previous control in the previ

into production has demon-strated the viability of gold state. The 1949 gold rush, for With the price of gold hover-

mining in California in two which California is famous, is ing around \$340 an ounce at once again that there is "gold generally considered to have present, it is easy to see how debris act" closed down virtu-

MEHIÇ

Even more important for the modern mining industry, Homestake has demonstrated that it is possible to overcome the obstacles of environmental controls, local, state and federal regulations that make the opening of any kind of mining operation. Spent \$15m to acquire the land. \$40m on exploration and development at the site and a further \$225m for plant and equipment, he says, the gamble, as with any gold mining operation, centres upon the price of gold. "McLaughlin is a \$400 mine." says Mr Thompoverwhelming lagal and burgest.

Mining Association, news of the Mining Association, news of the finds in neighbouring Nevada, McLaughlin find has significantly boosted interest in gold prospecting in the state. Since the gold rush days, there have been waves of new interest in California are more complex, and far more expensive Home.

on Californian gold

fornian gold production could in a lot of the suede shoe amount to 800,000 ounces in the types."

third to a half as much gold as overwhelming legal and bureau-

cratic task.

### Australian coal miners

tomorrow ABOUT 30,000 coal miners at 110 collieries in New South Wales. Queensland and Tasmania will strike from the last shift today until the first shift on April 24, the Miners Federation said yesterday, reports Reuter from Sydney.

The strike is part of a camthe strike is part of a campaign for a productivity pay increase but the immediate trigger was an alleged lockout at Peko-Wallsend's Pelton and Gretley Collieries in the Hunter Valley of NSW.

The union said Peko refused work to 430 miners who did not sign no-strike agreements after they returned from another, separate, one-week stoppage by about 8,000 Hunter Valley miners.

The Miners Federation has been seeking a pay rise since October to reflect a claimed 30 per cent increase in productivity in recent years. It held a one-week strike in February and several 24-hour stoppages since

The coal producers say that low prices are hitting their profitability and that any pro-ductivity rise is almost solely due to increased mechanisation, not labour inputs. The strike could cost about

2.4m tonnes in lost production, of which about 1.7m tonnes would normally be exported, industry officials said, citing 1985 figures.

### **WEEKLY METALS**

All prices as supplied by Metal Bulletin. ANTIMONY: European free market. 99.6 per cent. \$ per tonne, in warehouse, 2.750-2,800. BISMUTH: European free market, min. 99.99 per cent, 8 per lb. tonne lots in warehouse, 2.90-3.30.

CADMIUM: European free market, min. 99.95 per cent. 8 per lb. in warehouse, ingots, 1.05-1.10. sticks, 1.10-1.15.

COBALT: European free market. 99.5 per cent, S per lb, in warehouse, 8.90-9.40.

MERCURY: European free market, min. 99.99 per cent. 8 per flask, in warehouse, 225-235, MOLYBDENUM: European free market, drummed molybdic oxide. 8 per lb Mo, in warehouse, 2.60-2.65, SELENIUM: France in Molybdic Molybd

market, min. 99.5 per cent, \$ per lb. in warehouse, 6.15-6.25 free market, standard min. 65 per cent. S per tonne unit WO, cif. 49-56. VANADIUM: European free market, min. 98 per cent V<sub>1</sub>O<sub>5</sub>.

other sources, \$ per lb V:Os. cif 2.50-2.60. In the short term traders by 1993 as a result of the URANIUM: Nuexco exchespect prices to resume their current expansion programme.value, \$ per lb U.O., 17.25. URANTUM: Nuexco exchange

In addition to a \$8.5m bond to

cost." says Mr Harry Conger Homesake's chairman.

In all, the San Francisco company has spent \$280m, acquired 270 permits and made

more than 150 concessions to environmental interests in order

to bring the mine into produc-tion. Several of the environ-

mental compromises have a

major impact upon the operat-ing costs of the mine. For ex-

ample, the gold processing plant is located 4; miles away from the open pit mine. The distant

the open pit mine. The distant location was chosen primarily because of its impermeable foundation which ensures the containment of processed material in a "zero discharge" site.

For Homestake, the largest gold producer outside South Africa. McLaughlin "is a \$280m gamble." says Mr Thompson. The company spent \$15m to acquire the land, \$40m on exploration and development at

son, referring to the cost of pro-ducing a single ounce of gold

#### LONDON **MARKETS**

LONDON coffee prices recovered a sizeable chunk of Tuesday's sharp losses yesterday as the futures market continued to follow New York's lead. The July position, which had fallen £140, regained £19.50 at £2.272.50 a tonne. Early gains were attributed to the late raily in New York values overnight. These were trimmed back somewhat were trimmed back somewhat before the upward trend was reasserted by a wave of specu-lative buying. Though dealers remain nervous most remain convinced that the market has more potential for a strong rise than a sharp fall as the Brazilian winter approaches. Sugar futures values were also firmer with nearby positions gaining \$4 to \$5 a tonne in gaining \$4 to \$5 a tonne in reaction to the recent setback. On the London Metal Exchange a £10.50 fall in cash higher grade copper at £955.50 a tonne mainly reflected sterling; strength

### the decline at one stage. LME prices supplied by Amalgamted Metal Trading.

against the dollar, but buying on Chinese account slowed

ALUMINIUM			
	Unofficial + or close p.m., — ± per tonne	Highilow	
ash months	747.5-8 -6.25 757.5-8 -6.75		

Official closing (am): Cash 748-9 (750.5-1.5) three months 760.5-1 (763-4) settlement 749 (751.5). Final Ferb close: 754.5-55. Turnover: 18,500

ligtier grade	Unoffic'i close	+ or .	High/low
ash months*	955-6 975-6	10.5 10.25	959 985/972
	• Grade *	'A'"	
Official clo 967.5-8) the .5) settleme	ee month	s 979	-9.5 (987-

Cathodes 954 6 —10 3 months 970 3 —9.5 Official closing (am): Cash 956-8 (970-1) three months 973-5 (981-4) settlement 958 (971). Turnover: 15.825 tonnes. US Producer prices 66.50-72 cents per lb.

AD		sterling raily, futures staged a performance, closing aroun — changed levels. Actuals busin		
	Unofficial + or close(p.m.) — High/lov . I per tonne	largely confined to the secon		
	246-6.5 , —.25 246.5:245 254-5 +.25 255,253			
fficial	closing (am): Cash 245.5-6.	May 1388-1389 - B.O 1		

Cash 3 months

Unofficial + or :	pound). Daily pric
close p.m.) — High low	(88.77): five-day a
£ per tonne	88.70 (88.43).
2655 65 -62.5 2660 2720 30 -57.6 2770.2715	COFFEE
closing (em): Cash 2650-5	Tuesday's partic
three months 2710-5 (2775-8)	New York market
t 2655 (2720). Final kerb	opening in Lond
15-40, Turnover: 1,470 tonnes.	Burnham Lambert.

## KUALA LUMPUR TIN MARKET: No price fixed. (14.78) per kg.

### ZINC

High grade	close p.m.\ £ per to	nne	High /lov
	441.5 2.5 453 4	+ 1.5 + 2.75	443 455,450
(441-2) th settlement 451-53. T	closing (a ree months 443 (442). urnover: 6. estern; 32.50	453-4 ( Final k 750 to:	453.5-4 ¶ erb close nes. U

GOLD BULLION (fine ounce) April 16	Sold left \$1½ to \$3382-33 London bullion market it \$341-3412, and was fixed at the morning and \$339 in the The metal touched a peak \$42 and a low of \$3372-338 ing on reports of gunfire in the area of Colonel Gadai in the area of Colonel Gadai	opened a \$340½ in afternoon of \$341½ wesken in Tropoli
	GOLD BULLION (fine ounce)	April 16

M'ni'g fix. \$340,75 Aft'n'n fix 8339,00	(£227.622) (£224,831)	9
GOLD AND PLATIN	UM COINS	Б
Krgrnd, 35421, 3421, 12 Krug, 51781, 180 4 Krug, 591-92 1:10 Krug, 5361, 371, Mapielsal 55514, 3511, Angel 5348, 350 1:10 Angel 53540 New Sov. 5821; 83 Did Sov. 5871; 89 F30 Eagle 5430-470 NoblePlat 54361, 4411;	(£2275, 228, £119 1195; £6012-614; £2412 26, £2333, £254; £2313, £255) (£25 1.55 1.55 1.55 1.55 1.55 1.55 1.55 1.	Sin all all all all all all all all all al

Silver was fixed 4.25p an ounce lower for spot delivery on the London bullion market yesterday at 359p. US cent equivalents of the fixing levels were: anot 537.6c. up 0.50c; three-month 545.65c. up 0.50c; six-month 554.05c. up 0.35c; and 12-month 571.65c. upchanged. The metal opened at 361-362-p (537-538c) and closed at 3581-360p (539-541c).

ILVER . per roy oz !	Bullion Fixing Price	+ <u>o</u> r	LM,E, p.m. Unoffic	_
nonths.	559.00p 367.50p 575.30p 591.30p	-4.40 <sup>4</sup>	355.5p 364,36 —	8. p -5.1
			lat- at	***

### MEAT

	Y'days	+ 07	Y'days	+ 01
Month	ciose	!	ciose ·	
April			_	-
May	. 101.80	_	187,50	
June.	101.80	+ 0,30	188,00	
July., .	101.80	+0.80	184,00	
Aug	101.80	+0.50	182,00	_
Sep	107.40	+0,46	178.00	-3.0
MEAT	COMMI	2210M	-Averag	e 14
sicck or	ces at re	Diggen'	tative m	arketi
GB-Catt	de 97 80p	ger k	g iw (⊣	-0.53
GB-She	es 270.00	le per	kg es	t de
i +7.27).	GB-P	qs 77.	74p per	kg I
(+1.56)	GB/	APP !	96.67p	per k
dw (-0				

Pigmeat sales: 3 (8) lots of 50 car-cases, 3,250 kg. Beef sales: 0 (0) lots of 20 sides.

### \_ \_ \_ 295,53 (Base: July 1 1952=100)

FINANCIAL TIMES Apr. 15 April 14 M th ago Year ago Apr. 14 April 15 M'th ago Year ago 1806.2 180.53 , 1854.8 1932.7 (Base: September 18 1931 = 100) DOW JONES Dow | April | April | Month | Year | Jones | 11 | 10 | ago | ago | ago | Spot | 126.56 | 128.45 | — | 120.58 | Fut. | 127.05 | 126.37 | — | 124.04 (Base: December 31 1931 = 100)

\* Not evailable due to suspension of the LME

### MAIN PRICE CHANGES

INDICES

REUTERS

	Apr. 198		OF	Menti ago	
METALS	_				
Aluminium					_
Free Market	\$ 1245	265.	••••	\$1210:	۲.
Copper	ı	_	'		_
Cash h Grade	£955.	5_ —	10.5	£988.	5
5 mths	£975	.5 -	10,25	£1011	.5
5 mths Gold Troy oz	8339		1.75	S347.	7
Lead Cash	E246	23 -	U.Z7	leuj.	J
3 mths	£254,	5,+	0.25	£261.	z
Nickel			_ :		_
Free Mkt	.180-20	10c —	3	121/21	4
Palladrum oz	5108.	45 ,+	0,65	\$113,	ō
Platinum oz	8424,	25 (~	2.10	5416,	2
Platinum oz Quicksitver t	\$220	520. '	:	3220/2	된
Silver troy oz	359.0	0p –	4.23	385.0	2
3 months		Cp —	4,40	<b>596,</b> 4	O
Tin	'			Ī	
free mkt	£3820	)·60		<sup>I</sup> -	_
Tungsten	564.9	8		205.0	1
Wolfram 22,01b	, <b>54</b> 7-6	<b>&gt;</b>		802 D	0
Zinc	£442			£419	
3 months	£453,	5 . +	2,75	£430	
producers	5650.7	· 60		8850:6	71

OTHERS
Cocca Ft. July | E1378.5 -2 £1526.5
Coffee Ft. July | E2273.5 +48.5 £2448.5
Cotton A Ind. | 48.25c ..... | 52.20c
Gas Oil June | 3122.5 -10 \$148.76
Rubber (kilov ) | 57.5p +0.2559.5p
Sugar (raw) | 1366y -12 | 1176
Wooltops 64s | 420p kilo .... | 446p kilo ‡ Unquoted, † Per 75 lb flesk, c Cents a pound, v May, y-April-May, w June, x May-June, 2 July \* Cotton outlook

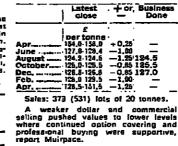
sterling rail performance changed le largely co	l lower opening, futures see. closing vels. Actual of the ports Gill are ports.	taged arou s busin se sec	a strong nd un ness wa ond_han
	Yesterday's Close	+ or	Busines
COCOA	£ per tonne		Done
May	. 1388-1389 . 1378-1379	+B.0	1405-187
Sept	1402-1403	+1.0	1408-139

ICCO Indicator prices (US cents per pound). Daily price for April 15: 89.19 88.77): five-day svarage for April 18:

Tuesday's partial recovery on the New York market prompted a higher opening in London, reports Drexel Burnham Lambert. Short-covering continued to boister the market in subdued conditions despite a falling dollar and traps buying in New York helped to ensure asteady close in London. COFFEE Yesterday + or | Business Close - Done

# .. 2225-2229 + 60.0. 2230-2197 ... 2270-2275 + 49.5, 2285-2246 ... 2320-2525 + 53.0 2550-2290 ... 2360-2535 + 60.0 2670-2535 ... 2365-2539 - 45.0 2395-2878 ... 2400-2406 + 48.5 2401-2585 ... 2402-2420 + 28.5

### Sales: 3.267 (6.365) lots of 5 tonnes. tCO indicator prices (US cants per pound) for April 15: Comp daily 1979 186.50 (190.47): 15-day average 193.14 (193.73). SOYABEAN MEAL



# GRAINS

Old crop wheat eased on long liquidation remeining in a narrow range all day, while May barley traded at £1.80 down before rallying sharply. New crops eased on trade stilling then rallied on commission house support, reports T. G. Roddick. BARLEY

May 117.90 -0.50 112.50 :-0.55 July 119.40 -0.40 - -Sept. 100.60 - 98.90 -0.20 Nov 103.55 - 102.10 -0.20 Jan 103.80 - 105.35 -0.20 Mar 109.70 - 108.10 -0.15 Business done—Wheat: May 117.90-7.75, July 119.40-9.30, Sept 100.60, Nov 103.55,3.50, J.-a 105.80.8,75; March 109.70, Sales: 194 lots of 100 tonnes. Barley: May 112.80-1.25, Sept untraded, Nov 102.10-2.00, Jan 105.30, March 108.10-8.00, Sales: 104 lots of 100 tonnes.

tonnes.

LONDON GRAINS—Wheet: US dark northern spring No 1 15 per cent Mey 125.00, June 12150 transshipment cast coast. US No 2 soft red writer June 95.75, July 89.25 EPC April 136.75. English feed tob April 120.50 seller. May 121.00-121.50 buyer/seller. June 122.50 seller. Sopt 102.50 buyer, Oct/Dec 107.50, Jan/March 112.50, April/June 117.50 sellers. Maize: US No 3 yellow/French transshipment east coast April 143.75. Barley: English feed fob April 17.00, May 118.50, June 120.00 sellers, July/Aug and Aug 59.00 bzuyer. Sept 101.00, Oct/Dec 105.50, Jan/March 110.50 buyers.

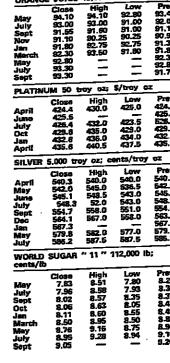
HGCA—Locational gra-farm soot HGCA—Locational ov-farm spot prices. Feed Barloy: Eastern 113.00, E. Mids 112.70, N. East 114.90, Scot-land 114.00. The UK monetary coeffi-cient for the week beginning April 21 will be 1,090.

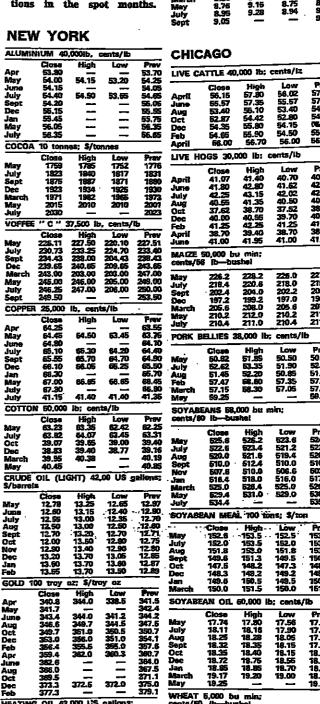
### RUBBER

PHYSICALS — The London market opened steader, artracted inthe interest at the higher levels and closed uncertain, reports Lewis and Pet. Closing prices (buyers): Spot 57-50p (57-25n): May 58.00p (55.50p): June 56.00p (seme). The Kuela Lumpur fob price (Malaysian cents) per kg: RSS No 1 was 187.0 (185.0) and for SMR 20 181.5 (180.0).

#### **US MARKETS** GOLD ROSE stightly around

GOLD ROSE stightly around mid-session on foreign buying spurred by the US attack on Libya but the prospect that Opec will again fall to reach an oil price propping up agreement continued to weigh on sentiment, reports Heinold Commodities. Copper found good support to close near the day's high in uneventful trading. Coffee locked limit-down in deferred deliveries. Prices dropped in the limitless months on carry-over selling, in response to the Brazilian state of Sao Paulo raising its 1986/87 crop estimate to 2.96m bags from 1.8m forecast in January, but the market pared earlier losses towards the close. Cocoa traded narrowly lower in dulf market conditions, with background talk of higher Bahia arrivals. Sugar rose sharply early in the day following good buying from trade houses but prices backtracked from their highs following a flurry of liquidations in the spot months.

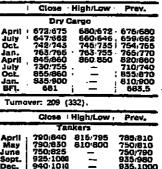




### High Low 42.75 41.30 39.51 37.50 38.95 37.60 39.00 37.55 40.80 39.00 41.00 39.95 41.90 40.75 42.00 41.50 41.50 41.50 Prev 41,65 38,15 37,40 37,60 38,25 38,82 39,42 40,02 40,57 **FREIGHT FUTURES**

372.5 372.0

HEATING OIL 42,000 US

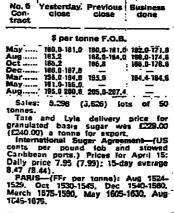


### 790,840 815-795 790,830 810-800 750,825 — 925-1000 — 940-1010 — 935-1000 — 825 — Turnover: 41 (55). SUGAR

LONDON DAILY PRICE—Rew sugar \$186.00 (£124.00), down \$12.00 (down \$10.00) a tonne for April-May delivery. White sugar \$209.50, down \$10.00.

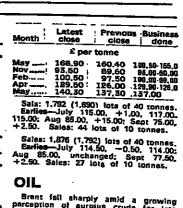
There was no follow-through selling after Tuesdey's liste fall and prices recovered, reports C. Czarnikow.

The London prices quoted are not closing levels due to the temporary, increased time difference between London and New York.



**POTATOES** 

The market continued highly erretic, reacting to all and any rumours. After initial weakness caused by Tuesday's soll-off, unfounded rumours of a customs strike stopping imports of Dutch potatoes, other rumours and heavy buying interest pushed closing levels back to new highs, reports Coley and Harper.

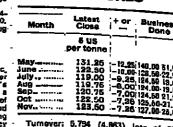


WHEAT 5,000 by min cents/60 ib—bushel

Brant fell sharply amid a growing parception of surplus crude for late April to early Mey, which is likely to be worsened by the end of the strike in Norway foreseen for the weekend, April Brent offered at \$13.25 on Tuesday was offered at \$13.25 on Tuesday was offered at \$12.50 on the morning and \$12.00 on the alternoon. May W7I opened 90c down on Nymex and traded 82c down at 12.30 pm EST. In the petroleum products market gas/oil prices fell on weaker futures and other products followed gas/oil down in thin trade—Petroleum Argus, London. SPOT PRICES

### Latest + or -CRUDE OIL-FOS (S per barrel)-May

## Turnover: 1,259 (2,304) lots of 100



Petroleum Argus estimates GAS OIL FUTURES

Tumover: 5,794 (4,863) lots of 100

### CURRENCIES, MONEY and CAPITAL MARKETS

In Brussels the Belgian National Bank cut the interest rate on three-month Treasury certificates by 1 per cent to 81 per cent. Rates on other short-

**CURRENCY MOVEMENTS** 

CURRENCY RATES

89 55.586 7 9.72749 31e 2.64431 41e 12.97807 91e 8.41707 14 203.225 8 8.34923 - 167.105 81e 8.35938 4 2.20769 2012 N/A

\*SDR rates are for April 15. \*Morgan Guaranty rates are for April 15

Arg'tina. 1.2503.1.2528.0.8300-0.8310
Auts'alia. 2.1040.2.1070.1.3945-1.3960
Brazil. 2.040.2.1070.1.3945-1.3960
Brazil. 2.040.2.1070.1.3945-1.3960
Brazil. 2.040.2.070.1.3945-1.3960
Brazil. 2.040.2.0940.5.0960
Greece. 211.20.315.50,142.00.144.85
H'kong. 11.788-11.7875-7.7940.7.7960
Iran. 1.050-1.55
Kuwakt. 0.4565-0.4565-0.8888-0.8822
Luc'burg 68.9.04.9.00
Bl.30-2.5500
N' Z'land. 2.7315.2.7285.1.8035.1.8055
Baudi Ar. 5.4935-3.5015.3.6505-3.6530
Rir pora. 5.8605-3.8855.2.1750-2.1800
S.Af. (Fn). 4.4290-4.5640.2.9410-3.0305
U.A.E. 5.5265-6.3560.3.6715-3.6745

OTHER CURRENCIES

Bank Special European rate Drawing Currency Rights Unit

-14.9 +9.4 -12.0 +7.0 -7.3 -1.8 +13.8 +14.7 +8.5 -14.0 -18.3 +45.4

7,92806 1,2,15345 1,2,15345 7,8,25610 1475,52 1,68,152 1,68,152 1,56,464 8,6,7467 1,80,220 1,55,212 0,70,70,78

93.\$2 93.\$2 93.10 92.91 92.74 92.58

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

STERLING INDEX

April 16 Previous
76.1 76.7
76.0 76.6
76.1 76.8
76.2 76.3
76.2 76.5
76.2 76.5
76.2 76.4
76.4 76.4
76.7 76.4

±1.5388 ±1.5408 ±1.1202 ±1.6081 ±4.0788 ±1.6569 ±1.3701

LONDON

8.30 am 9.00 am 16.00 am

troon central

positive change denotes a plated by Financial Times.

### FOREIGN EXCHANGES

### Dollar falls ahead of GNP

The dollar fell sharply in nervous foreign exchange trading in a mood of confusion £ IN NEW YORK about the situation in Libya after reports of firing around Colonel Muammer Gadaffi's Colonel Muanmer Gadaffi's home. Dealers appeared unsure about the net effect on the dollar of the tension between the US and Libya, and tried to concentate on seconomic factors. trate on economic factors.
Today's figure on US rst
quarter gross national product,
was expected to show disappointing growth of around 2 per cent,
but rumours circulated yesterday that excent that figure yesterday that even that figure was too high. This increased speculation that the Federal Reserve may be considering a cut of more than j per cent in its discount rate, widely expected to take place this week.

1.4681. Exchange rate index rese franc was set at its EMS cailing of DM 31.41 per 100 francs, but the Bundesbank did not intervene, after selling FFr 33.2m on Tuesday, when the franc was at \$1.5050-1.5060, after touching a peak of \$1.5120. The pound was also stronger against the Japanese yen, rising to Y268 from Y263.75, but declined against most other major currencies, falling to DM 3.39 from DM 3.42; to FFr 10.7825 from FFr 10.8850; and to SFr 284 from SFr 28625. There were suggestions that UK involvement in the US raid on Libya undermined sterling against Continental currencies, wention by the Bank of Japan,

ies

7 (1) 7 (1) 7 (1)

April 16 Prev. close £ Spot | \$1.5046.1.5055 \$1.4785.1.6785 | 7 months | 0.51-0.48pm | 0.61-0.48pm | 1.25-1.22pm | 1.25-1.22pm | 1.50-3.65pm | 3.65-3.65pm | Tuesday's announcement of a 0.5 per cent fail in March US industrial production, also undermined the dollar, ahead of today's revised first quarter US GNP figure, which is expected to show a disappointing level of growth.

while the Opec meeting in Geneva was not expected to produce agreement on oil production cut backs.

D. MARK — Trading range against the dollar in 1986 is 2.4710 to 2.1999. March average 2.2877. Exchange rate index 134.8 against 127.3 six months ago.

considering a cut of more than i per cent in its discount rate, widely expected to take place this week.

The dollar fell to DM 22510 from DM 23110; to FFr 7.1625 from FFr 7.3625; to SFr 1.8655 from SFr 1.9335; and to V176.60 from Y178.30.

On Bank of England figures the exchange rate index fell to the US currency closed in FTERLING — Trading range against the deliar in 1986 is 1.5115 to 1.5778. March average day. At the fixing the French 1.4681. Exchange rate index rese franc was set at its EMS ceiling 0.2 to 76.4, compared with 88.4

POUND SPOT-FORWARD AGAINST POUND | Day's | Day' -13.84 --2.56

DOLLAR SPOT-FORWARD AGAINST DOLLAR

April 16 spreed Close One moran p.s. securing UK; 1.4820-1.5220 1.5030-7.5050 (CS1-0.486.pm) 2.95 7.27-7.22pm (canada 1.3300-1.3500-1.3500-1.3500-0.3 Denniark 8.28-8.46 9.307, 9.307, 1.5079 dig -0.72
W. Ger. 2.2809.2.2875 2.295-2.2955 0.48-0.4597 pm 2.36
Portugal 149-1507, 149-1479 180-300 dis -8.29
Spain 142.38-144.65 142.80-142.70 85-86 dis -8.29
Italy 1540-15692 1541-1542 5-9 line dis -6.33
France 7.16-7.284 7.18-7.16-2 5-9 line dis -6.33
Swaden 7.16-7.284 7.18-7.16-2 5-9 line dis -0.36
Swaden 7.16-7.284 7.18-7.16-2 0.30-0.656 dis -0.36
Swaden 7.16-7.284 7.18-7.16-3
Swaden 7.16-7.284 7.18-7.16-3
Swaden 176-20-177-95 78-5-78-50 0.32-0.279 pm 2.61
Switz 1.8800-1.8200 1.8800-1.8370 8.44-0.38c pm 2.53
I UK and Irstand are quoted in US currency. Forward a discourace apply to the US dellar and not to the Individ Belgian rate is for convertible france. Financial france

EXCHANGE CROSS RATES

Apr. 18 & | \$ | DM | YEN | F.Fr. | S.Fr. | H.Fl. | Lira | C.S | S.Fr. 1 1.506 3.390 266.0 10.78 2.840 3.816 2321 2.083 88.85 0.664 1 2.251 176.6 7.165 1.887 2.535 1842 1.390 45.60 0.295 0.444 1 78.47 5.181 0.835 1.126 684.5 0.617 20.34 5.766 8.660 12.74 1000 40.54 10.68 14.84 8725 7.865 259.8 0.927 1.395 5.144 246.7 10; 2.634 3.539 2169 1.940 53.95 0.552 0.550 1.194 93.66 3.797 1. 1.343 817.2 0.737 24.38 0.269 0.395 0.689 69.79 2.886 0.744 1. 608.5 0.548 18.07 0.481 0.649 1.461 114.6 4.646 1.284 1.644 1000. 0.901 29.71 C\$ 0,476 0,720 1.690 127.2 5.154 1.356 1.834 1109 1.32.96 BFr. 1,450 2.163 4.917 385.3 15.64 4.119 5.556 3366 3.034 100.

EURO-CURRENCY INTEREST RATES 95, 93, 55, 53, 594, 51, 54, 41, 44, 71, 71, 117, 123, Storling ... U.S. Dellar Can Dellar D Guilder Sw. Franc. Deubschmi 734.779 739-758 714-734 4-3-415 719-8 6-13-6-13 764-773 714-8 471-415 714-8 815-813

### FINANCIAL FUTURES Prices firm

Dollar and sterling denomi-nated interest rate contracts the New York hanking system were firm on the London Inter-national Financial Futures Ex-change, underpinned by rumours when Federal funds were trading and possible escalation in the conflict between the US and Libya. Sentiment was bearish for the dollar, on rumours of an imminent cut in the US Federal Reserve's discount rate, although the Sentil Constitution of change, underpinned by rumours from Libys and hopes of interest Reserve's discount rate, athough Mr Satushi Sumita, Governor of the Bank of Japan, denied he had reached agreement with Mr Paul Yelcker, chairman of the Federal Reserve Board, on a concerted interest rate cut. Tuesday's announcement of a 0.5 per cent fail in March US

at 7 per cent, was taken as an rate cuts. Cash buying of US
Treasury bonds in the Far East
led to a strong start on Liffe,
with demand buoyed by speculation that the US Federal Reserve
and Bank of Japan would soon
cut their discount rates. The

### T per cent, was inken as an
indication of an imminent discount rate cut, in spite of denials
count rate cuts.

US and Japanese central banks,
from Mr Satoshi Sumita.

Governor of the Bank of Japan.

Oil prices were only slightly

tinuing evidence of sluggish US economic growth ahead of today's revised first quarter gross national product figure. The fall of 2.4 per cent in March US housing starts was within the forecast range, and the figure had little impact, as the market focused its attention on reports

focused its attention on reports of gunfire in Tripoli.
This pushed up prices, while sterling denominated contracts were also supported by hopes of cuts in interest rates, and the strength of the pound, with long gift futures recovering from Tuesday's fall. Purs-June Sept 0.09 0.22 0.01 0.32 0.05 0.80 0.03 1.26 0.30 2.02 0.81 1.45 3.50 2.51 4.52 Purs 152 1, Purs 1,420

higher, after the US strike

against Libya, and the market's confidence was increased by con-

LONDON SE E/S OPTIONS LIFFE 2/3 OFTIONS E25.000 (cents per £1) Strike Calls—Last Strike Casts Per 2.7

Strike price May June July Sept May June July 120 — 31.70 — 0.05 Calte-Last PutbMay June July Sept. May June June — 0.00
— 25.40 — 25.40 — 0.01
26.40 15.40 15.40 15.40 6.00 0.04
16.40 16.40 16.40 11.40 0.18 0.83
16.36 8.76 7.79 0.87 1.86
2.64 3.50 4.03 6.26 2.71 4.00
nated volume orisi, Calts 898, Puts 682
ous day's open int, Calts 4,610, Puts 5,806

per cent. Rates on other short-term Treasury certificates were unchanged. The move was seen as possibly heralding another cut in the Belgian bank rate, which has been reduced twice, since the realignment of the European Monetary System earlier this month, and now stands at \$4 per cent. stands at \$4 per cent.

In Frankfurt call money fell to 4.55 per cent from 5.025 per cent, as DM 10.1bn, from a securities repurchase agreement with the Bundesbank, flowed into the market. The agreement supplied funds to the money market at a fixed rate of 4.35 per cent, and was needed to offset a drain on liquidity caused by central bank intervention to support the D-mark against the French franc, after the EMS realignment. The Bundesbank is also believed to have injected about DM 1.5bn into the market this week, by supplies of Gov-PHILADELPHIA SE 2/5 OPTIONS C12,500 (carda per £1)

Strike Calls—Last price May June July Sept 1.25 — 30,40 — 30,46 1.25 — 25,40 — 20,40 1.30 20,40 20,40 = 20,40 1.35 15,40 15,40 15,40 16,40 10,40 10,40 10,50 11,20 1,45 5,80 6,30 8,90 7,50 1.50 2,80 3,40 4,00 4,85 Previous day's volume. Calls 47, 1 Previous day's volume. Calls 27, 1 this week, by supplies of Gov-ernment money, via state-owned

10% NOTIONAL SHORT GILT P100,000 64ths of 100% US TREASURY BONDS (CBT) Close High Low 103-10 103-10 102-50 103-30 — — — ted volume — (--) as day's open int — (1.07 June 104-15 104-25 104-05 104-05 104-25 104-25 104-25 104-25 104-25 104-25 104-25 104-25 105-105-105 105-105 1 Close High Low Previous S0.57 90.78 90.51 90.58 Sept 91.25 91.33 91.20 91.16 Dec 91.42 91.59 91.35 91.35 91.35 91.35 91.42 Juha 91.42 91.35 91.35 91.35 91.25 Estimated volume — (—)
Previous day's open int — (17,164)

High 94.62 94.78 94.69 94.33 94.15 94.00 93.87 US TREASURY BONDS 8% \$100,000 \$20ds of 100% High Low 102-24 103-15 103-25 102-27 CERT DEPOSIT (IMM)

0.767404 0.534956 THREE-MONTH EURODOLLAR (IMM) Sept 167.35 788.50 185.25 Closs High Low Prev 167.35 188.50 185.25 186.85 169.60 168.50 168.50 189.10 172.10 — 171.60

Strike price June Sept Dec 3.57 — 90.50 3.57 — 90.50 3.07 3.14 — 91.60 2.57 2.64 — 91.50 2.07 2.14 2.04 92.00 1.57 1.64 1.55 92.50 1.07 1.16 1.09 93.00 0.58 0.71 0.68 Previous day's open int. C Volume, 202 THREE-MONTH EURODOLLAR STEE SCIENCE OF 100% Closs High 93.57 93.58 5ept 93.64 93.65 March 93.33 93.55 March 93.33 93.55 5ept 92.95 92.75 92.74 Fericasted watermen (

**CURRENCY FUTURES** Spot 1.mth, 3.mth, 6-mth, 12-mth 1.5055 1.5006 1.4930 1.4842 1.4688 IMM-STERLING Se per £

Prey 93,44 93,54 93,25 93,25 93,06 92,87 92,70 POUND-S (FOREIGN EXCHANGE)

Lintest High Low Prev 1.4955 1.5025 1.4940 1.4730 1.4870 1.4930 1.4880 1.4640 1.4730 1.4823 1.4736 1.4540 June 1.4955 1
Sept 1.4870 1
Dec 1.4790 1
LIFFE STERLING
£25,000 3a per £ Close High Low Prev 1.4950 1.5000 1.4778 1.4885 1.4855 1.4895 1.4895 1.4895 1.4775 — 1.4515 nated volume — (—) ious day's open int — (2,272)

### 账

THE LONDON INTERNATIONAL FINANCIAL FUTURES EXCHANGE

is pleased to announce

### AN EXTENSION IN TRADING HOURS.

for the following four contracts:

New hours Old hours 09.00 - 16.15 (09.30 - 16.15)\*

أأنته فأبال والموار المسلم المسلم

Long Gilt futures 09.05 - 16.20 (09.35 - 16.20) Short Gilt futures FT-SE 100 futures 09.05 - 16.05 (09.35 - 15.30) Long Gitt options 09.02 - 16.15 (09.32 - 16.15)

THESE CHANGES TAKE EFFECT FROM **28TH APRIL 1986** 

**LIFFE** Limited Royal Exchange, London EC3V 3PJ Tet 01.623 0444 Tix 893893 LIFFE G

NOTICE OF TRANSFER OF WARRANT AGENCY GENERAL ELECTRIC : CREDIT CORPORATION ("GECC")

250 800 WARRANTS TO PURCHASE U 5 5250 800 000 ACGREGATE PRINCIPAL AMOUNT OF CIECC'S SERVES B NOTES DUE 1992 Agency has been ironstaned from Unon Bank of Sectorians to Unon de Banques Success (Limenthourg) S.A. at an others at 36-39 Grand Rue, L. 2011, Losenbourg.

Legal Notices

MOTICE IS HEREBY GIVEN, pursuant to section 588 of the Companies Act 1985 that a Meeting of the Creditors of the above-named Company will be held at

AS that a

the above-name,
seld at

Fairfax House,
Fulwood Piece,
London WC1V SDW

on Thursday, the 24th day of April
1986, st 11.00 of clock in the forence,
for the purposes mentioned in sections
SS9 and SS0 of the said Act.
Dated this 3rd day of April 1986.
By Order of the Board
J. P. SHIVLANI,
Secretary.

COMPANIES ACT 1985 ATLANTTRAFIK EXPRESS SERVICE LIMITED.

NOTICE IS HEREBY GIVEN, pursuant to Section 568 of the Companies Act 1935, that a Meeting of the Creditors of the shove-named Company will be held at The Command to the Company will be held at The Command to the Company of the Company of the Section 1935 at 11 o'clock in the forencon for the purposes mentioned in sections 588 and 590 of the said Act.

Dated this 70th day of April 1985.

By Order of the Board CLASS L. UGGLA, Director

Now offering CBOT **FUTURES** \_\_\_\_ & \_\_\_ **FUTURES OPTIONS** Also Futures and Futures Options on

COMEX-GOLD & SILVER IMM-CURRENCIES \$15\* ROUND TURN PAY AND OVERNRAIT

"Applies only to trades exceeding 250 contracts per calendar month, First 250 contracts \$25 tound turn. Call one of our profesionals: 212-221-7138. Telex: 27,1005

REPUBLIC CLEARING CORPORATION Republic National Runk of New York

Personal

HIGHGATE NO Immaculate 2 double-bedroomed split-level 1st floor flat in Edwardian terrace in quiet road between village and tube (4 minutes). Sunny, bey windowed reception with leafy outlook, kitchen, bathroom with wc, separate wc, loft storage. 97-year lease. 179.950
Must be viewed to be appreciated. 01-341 9160 (evenings)

# THE GUINNESS

**Distillers** share price worth

Guinness best and final offer worth

Guinness higher by

CERT To have well

The Guinness offer is unanimously recommended by the Board of Distillers. The closing date is April 18th at 3pm.

**GUINNESS PLC** 

This advertisement is published by Morgan Grentell & Co Limited and The British Linen Bank Ltd on behalf of Guinness PLC. The Directors of Guinness PLC are the person This advertisement is published by Morgan Grentell & Co Limited and The Beriah Linen Bank Lid on Dehalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertisement. In the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly.

The value of Guinness' offer depend on a share price. The above offer value is for Guinness Offer, assuming acceptance in tull by all Distillers shareholders of the Convertible Preference Shares, based on the middle marker prices from The Stock Exchange Topic Service on 18th April, 1986.

The Offer value takes account of an estimate by Wood MacLenzie & Co. Limited and Casenove & Co. of the value, based on the relevant ordinary share price of the Convertible Preference Shares of Guinness The value of the Convertible Preference Shares of Guinness they are not presently quoted.

### MONEY MARKETS

# London rates ease on base rate hopes bills drained £295m, with a rise in the note circulation absorbing £85m, and bank balances below target another £20m. These outweighed Exchequer transactions adding £200m to liquidity.

5.79 6.96 5.09 6.40 6.49 6.67 6.72 6.85 7.04 7.21

Interest rates declined on the London money market yesterday, as sterling rose above \$1.50 on the foreign exchanges, and hopes remained strong of a 1 per cent cuti n clearing bank base rates. Discount houses were again reluctant to sell anything other than short dated bills to the Bank of England, in expectation of lower base rates. Three-month interbank fell to 104-104 per cent from 104-104 per cent. iquidity.

In Brussets the Belgian
National Bank cut the interest
rate on three-month Treasury
certificates by a per cent to \$4
per cent. Rates on other short-

NEW YORK RATES The Bank of England initially forecast a money market shortage of £250m, but revised this to £350m at nuon, and to £350m in the afternoon. Total help of £344m was provided.

Refere buch the authorities

Treasury Balls & Bonds
One month
Two month
Six month
One year
Two year
Flory year
Flory year
Flory year
Flory year
Flory year
Seven year
10 year Before limch the authorities bought fillin bills outright, by way of fim bank bills in band 1 at 104 per cent; and fillin bank bills in band 2 at 104 per cent. Late assistance of fillin was also provided. also provided.

Bills maturing in official
hands, repayment of late assistance and a take-up of Treasury

MONEY RATES

がはないのでは、

One Two Three Sex Lomban April 16 

term Treasury certificates were unchanged. The move was seen as possibly heralding another cut in the Belgian bank rate, UK clearing banks base lending rate 11 per cent since April 8 FT LONDON INTERBANK FIXING

EMS EUROPEAN CURRENCY UNIT RATES

43.7905 7,92806 2,15345 6,85610 2,42633 0,707078 1475,32

(11,00 s.m. April 16) Three months US dollars offer 6# offer 6% The fixing rates are the arithmetic means, rounded to the narrest one-shapenth, of the bid and offered rates for \$10m quoted by the market to

LONDON MONEY RATES

Three Shx Months | 101g-12 | 107g-1114 | 105g-1016 | 107g-107g | 94g-97g | 94g-97g | 94g-97g | 107g-111g | 107g-107g | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 10101 | 1010 

Treatury Bills (sall): one-menth 10% per cent; three-months 9% per cent. Bank Bills (sall): one-menth 10% per cent; three-months 9% per cent. Bank Bills (sall): one-month 10% per cent; three-months 9% per cent. Treasury Bills: Average tender rate at discount 8,8249 per cent. ECGD Fixed Finance Bills: Average tender rate at discount 8,8249 per cent. ECGD Fixed Finance Houses savan days' notice others seven days' had. Clease authority and Finance Houses savan days' notice of their seven days' had. Finance Houses Base Rate 12% per cent from April 1 1996. Bank Deposit Rate for same at seven days' notice 97-5 per cent. Contincates of Tax Deposits (Savies 8): Deposit 2100,000 and over held under one month 11 per cent; one-menths 9% per cent; nine-12 menths 9% per cent. Under £100,000 9% per cent from April 11. Deposits held under Series 5 9% per cent. Deposits withdrawn for cash 6% per cent.

34 BRITISH FUNDS	AMERICANS—Cont.	ENGINEERING—Continue	1984 1984
1986   Price   or   Yeld	1986	## 1986   STORES—Cont.   1986   STORES—Cont.   1986   Stores	C'er fir's PE High Lew Stack Price 62 9 55 6 1 62 9 55 6 1 62 9 55 6 1 62 9 55 6 1 62 9 55 6 1 62 9 55 6 1 62 9 1 62 1 62 1 62 1 62 1 62 1 62
99   99   170   99   170   99   90   99   90   90   90   90	324   363   250   250   251   31   32   32   32   33   33   254   255   255   355	high Low Stock Price - Net (Crit Gris PE High Low Stock Price - Net (Crit Gris PE Stock Price - Net (Crit Gris Pi Stock Price - Net (Crit Gris Price Pri	26 42 131 4 46 32 tarento 100 29 02 70 1.0 150 32 332 351526 32 37 4 4 4 5 2 4 4 5 2 4 5 5 6 7 5 6 6 7 6 7 6 7 6 7 6 7 6 7 6 7
100% 90; Treez 10x 1987 ( 106 7 + 1 94). 915 95 9 104; Treez 10x 1987 ( 106 7 + 1 94). 115 9 9 9 104; Treez 12x 1987 ( 104) 94; Treez 12x 1988 9 104; Treez 12x 1988 9 103; Treez 12x 1988 9 104; Tree	Sign   1872b   Cont Himsel Cert S1   572b   -00	37   38   106   5 orbit of 10g   3   3   107 orbit of 10g   3   3   3   3   3   3   3   3   3	22 h 4   10.2   232   180   4   49   4   49   4   49   4   49   4   4
10112   93% Trees   91,00   88	374   24 Data decrean   25 t - h   -   -   -	20   124   124   124   124   124   124   124   125   126	74 15 40 27 48 117 17 17 17 18 1 66 BETEC 74 1 15 40 27 48 117 17 17 17 17 17 17 17 17 17 17 17 17
100,	11   10   15   15   16   17   18   18   18   18   18   18   18	14 139 mergene internal 222 147 130 6 51 6 317 185   AB Electronic   292   8.0 33 39 (101 62 27 00 memoria 100   55 14 1.5 3	35   37   75   75   76   76   76   76   77   77
94.] 80.] Trex Stact 197.400 1   941	30   21   20   20   20   20   20   20   2	15   20   Watermany AS 59   100   -2   (220%) 2.1 (48   99   30   100/4-mb Per Comp 50   21   100   100/4-mb Per Comp 50   21   100   100/4-mb Per Comp 50   21   100   100/4-mb Per Comp 50   21	A 1 1 A B   1 C M   1 A 1
109%   9%   100   1991   100   1994   100   117   100   1992   117   100   1992   117   100   1992   118   100   1992   106   1993   106   1993   106   1993   106   1993   106	10   25   16   16   27   27   27   27   27   27   27   2	20   10   10   10   10   10   10   10	20 100 100 100 110 Badie Hides. 160 1 100 11 88 144 100 11 88 144 100 110 110 110 110 110 110 110 110
100   100	24   201/Lore Star Ind; \$1   23412   \$1.90 - 56   274   164/Lore Star Lore \$0.15   17 1/2 2   \$1.00 - 39   25 1/2 1   40c - 11   394   23 [March Handers \$1]   364/L-12   \$3.24 - 60   27 1/2   \$1.00 - 22   304   23 [March Handers \$1]   27 1/2   \$1.00 - 22   25 3/6 2   \$00 - 21   \$1.00 - 21	10   12   13   14   15   15   15   15   15   15   15	141 29 133 30 23 Bosor Pel'A' 109 261 106 37 32 120 24 4.6 10.3 358 265 Bosor McCornell 348 -2 120 16 50 149 27 149 32 1 4 4 5 10.3 358 265 Bosor McCornell 348 -2 120 16 50 149 27 149 32 1 4 3 142 27 190 Boot (hierry 500 ) 255 1 149 32 1 4 3 162 27 190 Boot (hierry 500 ) 255 1 149 32 1 4 5 1 4 3 142 2 1 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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-	19 19 19 19 19 19 19 19 19 19 19 19 19 1	

### LONDON STOCK EXCHANGE

#### MARKET REPORT

Account Dealing Dates

First Declara Last Account Dealings tions Dealings Day Apr 1 Apr 10 Apr 11 Apr 21 Apr 14 Apr 24 Apr 25 May 6 Apr 28 May 8 May 9 May 19 " New-time" dealings may take place from 9.30 am two business days

Institutional interest was small at 962p Institutional interest was small and this absence of activity suggested that some fund managers might be preparing for further large fund-raising operations. For a week or more, speculation has persisted of Allied-Lyons contemplating a £500m rights issue to help finance the proposed acquisition of the wines and spirits division of Hiram Walker. A press report that the posed acquisition of the wines and spirits division of Hiram Walker. A press report that the Treasury was considering an alteration in the controversial ADR tax made little impact on international issues.

The indices looked set to close

The indices looked set to close lower again but around 2.30 pm rumours took hold of a coup in Libya. Blue chip issues rallied quickly and the movement gathered pace on the back of a strong Wall Street opening; the Dow Jones index jumped over 15 points in the first hour of business. The upshot was that the FT Ordinary share index after fluctuating between 1385.4 and 1367.0 closed a net 8.6 higher on the day at 1379.4.

Private clients were active but The indices looked set to close

Private clients were active but Private clients were active but tended to focus their activities on companies reporting trading news. Hawker Siddeley, for example, announced preliminary profits at the top end of the market range and spurted 34 to 597p. Reports that the group would also make an offer for Simon Profinering were wide of the state of Simon Engineering were wide of the mark, but the latter moved up sharply on talk of a bid from the fast-growing Williams

Government securities put up a convincing performance with sentiment aided by the hope of

**EQUITY GROUPS** 

& SUB-SECTIONS

CAPITAL GOODS (213) .....

Motors (17)
Other Industrial Materials (22)....
CONSUMER GROUP (186)

| Section | Person |

Building Materials (25) .

Stores (44)
Textiles (17)
Tobaccos (3) OTHER GROUPS (84) ...

Chemicals (19).
Chemicals (19).
Office Equipment (4).
Shipping and Transport (12)...
Telephone Networks (2).....
Miscellaneous (47).

FINANCIAL ERGUP (117). Banks (7)
Insurance (Life) (9)
Insurance (Composite) (7)
Insurance (Brokers) (8) Merchant Banks (11) .... Property (50)...... Other Financial (25) ..... Investment Trusts (103) ... Mining Finance (3) ..... 91 Overseas Traders (14) ...... 99 ALL-SHARE INDEX (737)

FT-SE 100 SHARE INDEX \$ .....

1 5 years..

FIXED INTEREST

124.13

Day's change %

Tues Apr 15

+9.23 123.84

...... 85.77 +0.05 85.73 - 2.20

ed adı. Loday

nd adj 1966 to date

INDUSTRIAL GROUP(483).....

# Volatile session ends with Gilts up and equities better late

UK investors remained uncertain about the Libyan situation and leading shares failed until the late trade to capitalise on a good opening trend. Wall Street's colm reaction to news of the US attack brought an early bounce in leading shares but the gains were gradually eroded and by the early afternoon replaced by small net losses.

Institutional interest was small.

Standard Chartered moved forward S to S54p on hopes of an increased offer from Lloyds or a possible counter bid; Lloyds improved 5 at 586p. Other clearers rallied after-hours with Berelays closure 6 dearer, at Barclays closing 6 dearer at 523p and NatWest 5 up at 890p.

George Wimpey attracted late demand as bid rumours revived to close 15 higher on the day at 168p, while Magnet and Southerns, the sector's other cur-rent takeover favourite, again traded actively and closed 2 dearer at 190p, after 196p, Higgs and Hill firmed 7 to 622p follow-ton the satisfactory preliminary ing the satisfactory preliminary figures and confident statement, but SGB encountered fresh sel-ling and shed 10 to 324p. Red-land edged forward in late trading to close 9 dearer at 445p. Elsewhere. Raine Industries. still awaiting the outcome of merger talks, put on 31 to 534p. Firmer initially, ICI drifted

FT-ACTUARIES SHARE INDICES These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Earongs Yield % I Max. J

Day's Orange

inder. No.

Wednesday April 16 1986

Gross Div. Yield% (ACTat 29%)

Est. P/E Ratio (Net)

| No. | Clarge | No. | Clarge | No. | Clarge | No. | N

| Index | Day's Day's Day's Apr | Ap

FINANCIAL TIMES STOCK INDICES

					_10	°	ago
Government Secs.	93,50	93.02	93,45	93.58	93,20	93,30	81,58
Fixed Interest	96.77	96.47	97.12	97,10	96,87	97.04	85.79
Ordinary ♥	1379.4	1370.8	1399.3	1411,9	1401,5	1376.5	988,8
Gold Mines .	282.9	287.4	290,0	282,1	281.8	282.7	521,2
Ord. Div. Yield	3,89	5.89	3,83	3,81	3,83	3,89	4.60
Earnings, Yid. % full-	9,51	9,54	9,41	9,36	9,35	9,50	11,6
P E Ratio inetition	12,97	12.95	13_14	13,21	15,25	13,04	10,49
Total bargains Est.	33,684	34,150	35,613	39,007	38,547	36,111	25,46
Equity turnover I'm.	_	790.61	1015,21	926,66	829,84	693,51	397.8
Equity bargains.	_	3€,775	21,374	37,954	34,085	32,510	22,72
Shares traded (m)	-	339.4	382,5	400.8	340,2	280,1	202.6

Gold Mines	12 9:55	SE Ac:	ivity 1974 Latest	Index 01-246 8	026 N.1	<b>= 12 56</b>
ı	HIGHS	AND L	.ows	S.E.	ACTIVIT	Υ
	19	86	Since Compilat	n INDICES	Apr. 15	Apr. 14
	High	Low	High Low	Daily - Gift Edged	·	
Govt. Secs.	93.5B	80,59	127.4 49.18	A	. 191,4	99,4
	. 11 4.	170 11	1311 351 151751	-daie		

Fixed Int 97.12 86.56 150.4 50.63 Value 1,598.0 2052.0 144 25.6 1 28.11 47: \$\frac{1}{2}\$ 1 28.11 47: \$\frac{1}{2}\$ 1 28.11 47: \$\frac{1}{2}\$ 1.75 Bargains. 238.3 138.5 Value 1,598.0 2052.0 144 25.9 1094.3 1425.9 48.1 Git Edged Bargains. 162.9 166.5 Gold Mines 357.0 257.5 734.7 43.5 Bargains. 210.8 212.5 Value 1,720.4 1768.3

Tues April 15

Fri April 11

Index No.

11.22 | 11.22 | 12.71

successful; Woolworth also an disappointment with the static

successful: Woolworth also annual control the appointment of goldman Sachs to assist in its defence. Dixons settled a couple of pence dearer at 368p, after 362p. Burton recovered from 300p to close 10 up on balance in the Engineering sector, with at 312p, while Combined English were volaule and traded between 230p and 213p before finishing a net 7 up at 223p. Etam were marked down to 250p in immediate reaction to the annual results but later railised to 258p, a net gain of 2. Fresh speculative support lifted Allebone a few pence to 48p and A. Goldberg 6 more to 138p.

Racal featured the Electrical

TUESDAY'S

**ACTIVE STOCKS** 

Rank Organisation fell 28 to 539p on reports of disappointing sales for its US associate, Xerox, Elsewhere, a revival of takeover talk left Wedgwood 26 higher at 321p, while Redfearn Glass, also a speculative favourite, put on 11 to 218p. Reflecting the success of the rights issue. WSL advanced 13 to 145p, but Wade Potteries eased 5 to 145p following the half-year results. Expansion bopes left Williams Holdings 28 to the good at 716p. NMW Computers gained 20 to 350p on news that discussions are taking place with IPAC to establish a jointly-owned company to continue the development and marketing of microprocessor products. EIS closed 10 higher at 275p after the preliminary figures and proclosed 10 higher at 275p after the preliminary figures and proposed rights issue, but the warning on current first half prospects which accompanied the annual results left Fogarty 5 lower at 112p. Extel closed 5 dearer at 395p following the announcement that Mr Robert Maxwell had accepted the revised share exchange offer from Dermerger Corporation.

Juliana's touched 77p following the annual results before easing

the annual results before easing back to close a couple of pence cheaper on balance at 73p. Else-where in the Leisure sector, SeiecTV firmed a penny more to 14p on asset injection hopes.

Kenning Motor dipped 18 to 200p, after 198p, in the wake of the board's decision to recommend the offer from Mr Ron Brierley's Tozer Kemsley and Millbourn, finally 5 off at 130p. Other Distributors, however, made further progress amid remage further progress and revived speculative support,
notably Hartwells, 6 up at 95p,
and H. & J. Quick, 3 better at
65p; the latter's annual results
are expected today. Elsewhere,
hopes that the Treasury will
alter the 5 per cent tax imposed
on ADRs in the Budget lifted
major international Jaguar 16 to
451p.

461p.
Publishers A. & C. Black were a convincing performance will sentiment aided by the hope of lower interest rates and a strong sterling/dollar rate. Optimists were predicting a further small cut in bank base rates this week and seemed unconcerned over the Chancellor's impending speech on monetary policy to the Lombard Association.

Revived domestic demand and a certain amount of overseas interest enabled longer-dated stocks to regain the major part of Tuesday's falls. Some high-sorter maturities closed tup in plates; Index-linked Gilts made fresh headway, too, and longer-life maturities closed tup in plates; Index-linked Gilts made fresh headway, too, and longer-life maturities ended with fresh rises of 1.

Are advanced 11 to 331p and avanced 12 to 335p.

APV advanced 11 to 331p to 489 and A. Gold-back Allebone a support lifted Allebone a support lifted Allebone and as a few pence to \$8p and A. Gold-back to 914p before picking up to close a shade better on blance at 927p. Laporte firmed and the close a shade better on blance at 927p. Laporte firmed and strong speech on monetary policy to the preliminary figures.

Racal featured the Electrical majors, rallying 14 at 204p to the accompaniment of vague take and server the counter and the shares touched a new peak of 184p following a press ment of 3 at 178p and Rowntree too 185p.

Leading Foods generally failed to hold early gains, but Cadbury schweps managed an improve Schwepse managed an improve Schwepse managed an improve the following a press ment of 3 at 178p and Rowntree to hold early gains, but Cadbury schwers to hold early gains, but Cadbury schwer the following a press ment of 3 at 178p and Rowntree to Holdway press ment of 3 at 178p and Rowntree and the shares touched a new peak for loshing a press ment of 3 at 178p and Rowntree to the session responded to "cheap" proved to the cading Foods generally failed to color the counter and the shares touched a new peak following a press ment of 3 at 178p and Rowntree to Holdway the proved to the color and the shares touched a new peak following marked 10 higher to 305p fol-lowing the increased annual pro-fits and dividend. Paper/Print-

Glaxo higher

Leading miscellaneous industrials settled with small irregular movements after a day of fluctuating fortunes. A favourable Press response to the interim figures prompted fresh firmness in Glaxo which edged up i more to a peak of £11. Reflecting the general trend. Boots opened higher at around 257p, but fell back to 249p before settling 4 firmer on the day at 256p.

Beecham ended 7 dearer at 408p.

hardened a penny to 267p, as did Samuel, to 210p, but Greycoat encountered scrappy, but Greycoat encountered scrappy, but the new nil paid shares the same amount lower at 22p premium. Elsewhere at 22p promium. Elsewhere at 22p premium. Elsewhere at 22p premium.

YESTERDAY'S **ACTIVE STOCKS** Based on bargains recorded in Stock Exchange Official List. No. of Tue Day's

Stock	charges	close	change	Stock	Brice	chs
Distillers	29	695	- 26	Arnyll Group	348	_
Amstrad	25	524	-22	Commercial Union		+
Glaso	22	£10%	+ 0%	Distillers	580	-1
Imperial Group	20	326	- 19 °	Duport	708	+1
Ladbroke	17	341	- 17	Fisher (A)	194	-
Mercantile Hse.	17	362	- 27	Hanson Trust	168	+
Argyli Group	16	355	- 10	Kenning Mator	200	-1
Lee Intl	16	176	- 4	Magnet & Southerns	190	+
Tarmac	16	454	- 4	Pilkington Bros	448	+,
Taylor Wdrow	16	585	+ 12	Prudential	962	- 1
Guinness	15	342	-11	Simon Eng	288	+3
Saetchi Seatchi	15	815	-40	Williams Hldgs	716	+2
				IONS EVOLUTION		
EUR	OPE	AN	OPT	IONS EXCHAI	YGE	•
5		M	av .	Aug. ' Nov.		

GOLD C GOLD C GOLD C GOLD C GOLD C GOLD P GOLD P GOLD P		40 41 60 16 51	27 A 15 7.50 4.50 1 2.20	30 45 31 14	26 15,50 10 A: 8,50 A 5,40	11 11 10	,	8339
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FFL C FFL P FFL C FFL C FFL C	F1.250 4	60 1 50 50 80 18 77 59	14 7.50 4.50 A 8 9 6.30 4.40	5 1 25 18 46	9.50 11.50 8.80 6.90	- - - 15	10.70	F1,384.28 " F1,256
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KUM C KUM P NEDL C NEDL P NATN C NATN P	F1.50 5 F1.55 9 F1.190 5 F1.180 3 FL80 6 F1.90	09 57 92 14	1,80 5,80A 1,60 2,80	278 855 174 47 232 83	5.30A 5.30 9.50 13.50 5.90 10.50	125 241 5 16	7,30 12,60 15,50 7,90	FI, 51,40 FI,165 FL 81,20
PETR C PHIL C PHIL P ROB C RD P ROBE C UNIL C UNIL C T JTAL VOLU	Fr6500 Fl.60 13 Fl.65 2 Fl.190 10 Fl.200 Fl.95 Fl.420 2 Fl.420	88 94 41 00 1 TRAC	710 4 1.20 A 5.60 6.80 9,60 0.50 TS: 63,	397 582 876 885 23 113 112 516.	5,70 4 8,10 15 3,50 21,50 B 15 B	116 30 20 7	7.70 5.20 B 10.70 19.20 3.50 80.50	Fr.7350 Fl. 64 Fl.195.60 Fl.92.10 Fl.430

### RECENT ISSUES

Profit-taking in the absence of bid news clipped 8 from Mercantile House at 354p. Other Financials traded quietly with the notable exception of Industrial Finance and Investment which responded to fresh takeover chatter and advanced 18 to 108p.

### Oils lose ground

A sharp decline in crude oil prices following the adjournment of the Opec meeting in Geneva—with no signs of an agreement of production quotas—unsettled oil shares which gave ground throughout the day. Selling of the leaders was persistent, but by no means heavy and BP ended 6 off at 567p. Britoil lost 5 at 178p.

Secondary issues remained under pressure and new lows for the year were recorded by North Sea & General, 4 off at 20p, KCA Drilling, 2 cheaper at 13p and Jackson Exploration, a penny lower at 10p.

lower at 10p.

A couple of firm features emerged among Overseas Traders. Boustead, a dull market of late following the substantial full-year deficit, rallied 8 to 32p as Ledditton, a Hong Kong-based

as Ledditton, a Hong Kong-based concern, announced that it controlled 10.4 per cent of the equity. Revived interest was also evident for Nesco which closed 7 higher at 70p; the annual results are expected shortly.

Rumour and counter-rumour concerning the situation in Libya following the US air strike again failed to produce any significant support for the bullion price which, after a firm showing is the US overnight, fell tack in the afternoon to touch \$337 & the afternoon to touch \$337 & fore steadying to close a net \$1.75

off at \$339 an ounce.
Gold shares were sleady to a shade firmer throughout the shade firmer throughout the morning session in London, reflecting modest Johannesbur; and Continental support, but began to wilt after midday on the 
appearance of persistent American selling which accompanied 
the decline in gold. The Gold 
Mines index fell 4.5 to 282.9.

Interest in Australians was

Interest in Australians was generally confined to the incustrial sectors. There were no major developments in the contest for control of BHP; the latter edged up 3 to 347p. while Elders LXL held at 210p. Bell Resources put on 5 to 220p amid vague rumours that the company had sold its near 20 per cent stake in BHP and was itself a bid

#### Traded Options

Business in Traded Options remained lively. Distillers attracted substantial money ahead of the outcome of the takeover battle on Friday with 3,311 calls and 1,629 puts struck. Hanson Trust were again in demand with 2,358 calls and 612 puts

TRADITIONAL OPTIONS First Last Last For Deal Beal Declara Settleings ings tion ment
Apr 7 Apr 18 July 10 July 21
Apr 21 May 2 July 24 Aug 4
May 6 May 16 Aug 7 Aug 18
Unit Trust Service

For rate indications see end of For rate indications see end of Money was given for the call of Barrie Investmentand Finance, NSS Newsagents, Electronic Rentals, Bridon, Polypipe, Pavion, Fairline Boats, G. M. Firth, Bromsgrove, Aitken Hume, Ultramar, Amstrad, James Halstead, STC, Grovebell, Dewhurst, Dares Estates, Abaco Investments Dares Estates, Abaco Investments and Silentnight. No puts were taken out, buta double was trans-acted in Ultramar.

EGOILLE	•	:			
lasue price Amount paid up Latest Renunc.	1986	Stock	Olosting price +	Net.	Times Covered Oross Viold P.E.
165 F.P. 1844 1105 F.P. 1844 180 F.P. 2345 180 F.P. 2444 180 F.P 145 F.P 145 F.P. 444 75 F.P	.142 123 81   65 195 120 165 128 167 174 114 134 790 758 102 95 177 165 82 82	PPL 10p	81 193 +5 138 -2 274 -2 142 758 103 105 -3 82	R2.9 R5.3 R3.8 R2.5	2.8 3.8 18.0 2.8 2.1 21.1 3.8 2.1 21.1 3.6 3.4 15.5 3.5 2.5 18.0 5.0 2.3 10.2 6.0 2.3 10.2 6.0 2.3 10.2 6.1 2.2 2.0 19.7

#### FIXED INTEREST STOCKS

Parie	1986 	Stock 55 +
100 F.P. 1644 95.537 F.P. 1644 100 £10 577 100 £10 77 100 £10	37'4 30'1 106's 104'1 105's 104'1 105's 104'1 107's 102's 107's 10	4 ASDA Prop. 10,25 lst Mt. Deb. 2011

#### RIGHTS OFFERS

issue or Renunc.   Stock		+ or
High Low	200 200 200 200 200 200 200 200 200 200	
250 Nil 30.5 70pm 43pm Assoc. Newspapers.  50 Nil 30.5 12pm 11pm Bensons Crisps 10p  140 F.P. 12/5 173 156 Crest Nicholson 10p	13pm 13pm 54 56pm 22pm 12 20 65pm 11pm 6pm 50m 10 24pm	

# NEW HIGHS: AND Useful: PROPERTY (1) Carice Nickolis.

NEW HIGHS (134)
BRITISH FUNDS (30), INT BANK &
0 SEAS GOYT STIG ISSUES (1),
CORPORATION LOANS (1), LOANS (1),
AMERICANS (2), CANADIANS (1),

NEW LOWS (27) AMERICANS 131 Continental Illinois Corp. Continental Illinois Hidos, CATX BUILDINGS (1) Intl Amer. ELECTRICA (1) Highland Electz, PooDS (2) Association of the Fisheries, Normans, INDUSTRIALS (4) Eaynes (Charles), Rosner A. Security Services, Sidaw. INSUBANCE (3) Dewey Warren, London, & Manchester

٠.	TEXTILES : 11 SEET. OLLS : 61 Jackson Explm. KCA Drillins. North Sea & Gen inv Pict Petroleum, Sovereign Oll. Tritor Europe. MINES : 41 Cons. Afex. Balmoral Resources, Cuttus Pacific. Oakbridge.
	RISES AND FALLS YESTERDAY

696 677 1,390

		LONE	ON '	TRA	DED OF	PTIC	DNS	<b>.</b>	: .	•		
	ÇALLS		PUTS		l		0	AUS	_	- !	PUTS	_
Option	Apr. July	Oct. A	pr. July	Oct.	Option		May	Aug.	Nov.	May	Aug.	Nov.
8.P. 500 (*565) 550 600	72   88 22   45 2   20	50 3		13 30 52	P. & O. ("538)	420 460 500 550	122 82 46 20	140 100 67 42	108 80 57	1 9 6 28	2 3 12 40	8 25 45
Cons. Gold 460 (*462) 500 550 Courtaulds   260	15   45 3   52 1 16	62 1 47 4 32 9	4 52 4 97	35 62 97	Racal (*204)	160 160 200 230	48 32 16	58 44 28 16	54 36 24	2 4 10 20	4 8 13 24	10 17 28
1°2781 280 300 330	6 23 2 11 1 6	32 19 2 9 5	6 1.57	13 23 34 55	R.T.Z. (*699)	650 700 760 800	65 27 17	77 47 55	92 72 55	80 32 122	27 42 84 125	37 50 67 127
Com. Union 280 (*323) 300 330 Cable & Wirel 600	44 56 24 41 4 24 1 95 1120		01 <sub>2</sub> 3 2 9 3 19	12 23	Vaai Roefs (*871)	60 70 80	141 <sub>2</sub> 71 <sub>8</sub> 3	17 111 <sub>9</sub> 73	171g	214 512 13	4 9 15	117
(*688) 650 700 750	45 85 10 53 3 32		2 20 5 45	32 55 95	7R11281 (*£111:	108 110 112	31 <sub>2</sub> 2 <sub>15</sub>	4 /6 2:5 2	63, 4, 2,	0.1 0.1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	21 <sub>4</sub> 25 <sub>4</sub> 313
Distillers 550 (*680) 600 650 700	135   145   85   100   36   60   12   32	160 123 83 11 44		13 32 50	TR113208407 ("£126).	118 120 122 124	7 6 4 4 5 6	914 819 719 618	105g 91g 85g 7/2	0 /2 0 /4 0 /8	1.2	11:5 259 314 4.5
G.E.C. 160 (*190) 180 200 220	32 42 12 24 2 13 1 7	50 32 20 12 3	2 7 3 16	9 20 36	Option	-126	June June	Sept.	Dec.	Jun-	Sept.	Dec.
Grand Met. 327 (*405) 355 382 420	80 105 62 80 28 57 6 56	93   3	1 5 1 6 4 17 0 32	6 13 27 40	Beecham (*405)	350 360 390 420	85 58 35 18	92 70 50 38	105 83 -63 45	2 3 3 3 3 3	5 15 30 45	7 22 35 50
i.c.i. 800 (*934: 850 900 960	130 162 90 109 32 67 6 38	177	1 5 2 12 6 27	12 25 42 62	Boots (*256	240 260 280 420	25 16 7	31 22 13	41 50 20	6 16 26	10 17 31	11 20 38
[1000 Land Sec.   280 1°310:   300	2   22   29   41   10   29	50 7 35 3		100 6 11	- (*460:	460 600 750 j	25 10 60 1	48 27	55 42 135	15 43	12 25 47	52 52 28
Marks & Sp. 160 (*206; 180	47   54   27   52	50   140   1	1   2	33 8	(*793) Biue Circle (*656)	800 850 600 660	58 33 70 85	80 55 88 60	100 88 115 83	70	48 80 13 36	55 90 18
200   225   225   Shell Trans.   700 (*761)   750	8 22 2 11 65 92 18 52	31 17 2 105 67	1 10	16 30 17 32	De Beers (*57,80)	700 ( 750 ( 800 (	27 ]	33 / 125	68   146   112	20   35	87   86	42 65 50 63
7raf'gar Hse: 300	1 1 28 16	42 42 43 26 27 26	2   45	52 15 51	GKN ("365)	300 350 360 390	63 39 17	75 49 31	78 .	8   9   21	80   14   25	85  29
1 360	1 1 6	12 63		55		900 950 1000	185   135	255 210 160	25 - 185	59 15 20	12 12 22 35	50
Oppon   460 (*553) 500 550	May Aug. 102 120 75 90 27 62	150 g 110 g 77 g3	13	13 20 35	Hanson (*167)	150 160 165	20 18	28 21 -	29 29	40 8	7 10	70 14
BAT inds 330 (*425) 360 390	10 33 96 115 68 88 40 63	55 50 125 1 100 3	56 1	62	Jaguar (*461)	180   800   390   480	82 83 81 <u>8</u>	93 68	19 12 85	17 34 10	36 11	26 40
8arclays   460	20   40   70   85 40   55	100 1 17	7   25   4   8 <sub> </sub>	30 35 12 27	Thorn EM1	480 480 460	53 20 82 62	47 35	115	85 53	30 55	23 40 —
550 600 Brt Telecom/ 220	17 32 5 15	47   37 30   82	42 85	47 87	Tesco 1	500   550   300	27 12 78 50	45 25 88 60	60 37	30 65	18 37 67	23 42 70
(*250, 240 960 280	18 26 9 18 31 <sub>2</sub> 10	34 5 22 18 15 32	22 36	1 <u>2</u> 26 40		360   390	<b>認  </b>	35 20	70 58 30	16 28	10 20 35	15 25 40
imperial Gr. 300 (*327) 350 . 560	35 46 16 25 4 13	59 2 38 11 22 36	759	19 42	Option FT-SE   157 Index   160 (*1858)   162	Apr. 25  87 20  67	May 102:	-		 4   15	-1——   27	ران ال ا
(*188) 120 (*188) 130 140 160	32   37 22   28 14   20 5   14	35 14 30 22 20 30	認	26 20 27 37	167 167	5 18 0 18		90 76 64 50	90 2 77 5 68 6	6 26 9 40 2 45 8 70 7 90	50 67 85	80 95
Lanrho 240 (-265) 260 290 300	31 37 18 26 10 18 51 <sub>2</sub> 11	43 8 28 22 20 33	14 26	11 19 31 40	April 16 Puts 8	Total c	15 Ontra	30	22 Jz0	3 125	133	115) 150

7.74 8.44 8.45 8.82 8.79 8.76 8.90 8.90 7.81 8.50 8.50 8.93 8.86 8.80 9.00 8.96 8.96 8.55 10.56 10.15 11.41 10.85 10.34 11.45 11.01 10.51 10.00 +0.54 146.56 0.20 2 5-15 years ... 4.58 156.36 +0.61 155.41 — 178.18 +0.64 177.05 — 3 Over 15 years. 5.19 1.62 142.15 +0.45 141.61 5 All stocks 0.16 4.36 Index-Linked 3.55 3.50 2.52 3.57 3.53 2.54 3.38 11 Inflat'n rate 5% 5 yrs... 12 Inflat'n rate 5% 0ver 5 yrs... 13 Inflat'n rate 10% 5 yrs 14 Inflat'n rate 10% 0ver 5 yrs. 112.13 +0.08 112.04 6 5 years.... 114.69 +0.48 | 114.15 | \_\_ 7 Over 5 years ... 1.27 114.23 +0.41 | 213.77 | --114 10.09 9.97 9.84 10.11 9.98 9.85 9 Debestures & Leans . 122.78 +0.08 122.68 -16 Loans 4.01 11.49

Medium Coupons

#Duening Index 1668.1; 10 am 1668.4; 11 am 1660.6; Noon 1656.4; 1 pm 1652.6; 2 pm 1649.8; 3 pm 1651 9; 3.30 pm 1656.4; 4 pm 1659.7

+ Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 48Y, price 15p, by post 28p.

### WORLD STOCK MARKETS

WURLD STUCK MARKETS								
AUSTRIA GERMANY NORWAY AUSTRALIA (continued) JAPAN (continued)	CANADA							
April 15 Price + or April 16 Price + or April 16 Kroner April 16 Aust 5 April 16 Aust 5 April 16 Aust 5 April 16 Aust 5 April 16	CANADA							
Interunfail	2000 Companies State Et 34000 Lacans 355 81 84 - 7 700 Scot Paper 5271 7714 7714 - 14							
Perlimoser	April 16 2000 Comm 8 f 57- 74 76 16250 Lottaw Co 527 264 27 +16 100 Settom A f 525 25 25 April 16 Com Gas 527- 27 201 44 368 Lumpones 5174 179 174 +16 43932 Shell Can 5246 2416 -16							
BELGIUM/LUXEMBOURG Company Sept 1 Storebrand 180 1 Mayor Higher Express 770 -14 Storebrand 201 -1 Stor	27200 Con Glass \$25 26 26 +1   2600 MICC 400 390 400   5415 Sherriff \$79, 7 75 +15   5850 AMCA int \$199, 199, 199, 199, 199, 1722 CTL Bank \$3' 9 97, 18 1932 MSR Ex 240 240 10100 Southers \$21 209, 21 +15   5850 AMCA int \$199, 199, 199, 199, 199, 199, 199, 199							
April 16 Frs Daymer-Benzum 1,542.5 +74.5 SPAIN	20101 Albres En 5129, 129 174 '8 2000 Consera R 175 175 175 175 170 38350 Magna A ! \$300, 299, 299, 30 1500 Sulptro 77 75 75 5500 Albres N \$13 129, 175 3 34560 Consen Ltd \$14 139, 14 3228 Mentilme I \$15 149, 149, 76 100 Tara Ex \$19 19 19 1							
Bang, Gen, Lux 15,250 D'sche Babcook, 236.2 +10.2 April 16 Pts. 2 Centridge	2889 Algores Sr \$197 19 19 19 14 1200 Gzer Res 149 145 1 1200 Menano E 243 242 243 1 1828 1678 Min 213 211 211 4275 Asserted 510 9% 10 1 1 1200 1200 1200 1200 1200 1200 1							
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Knr 2 - Verba - 334 + 4 SaspScorne Fres 750 - HK Otdna Gas - 13.7 - Takeda - 1,400 - 10  V.E. W 101 + 4.8 Sandrik - 915 + 10 Pik Electric - 8.85 + 0.05 TDK - 100 + 100	577 Camp Scap 3284 207 2572   1950 Gebraar \$10 10 10   2550 PactW Airl \$13's 13 13   F-ma vouing rights to residence voung rights to residence voung rights.							
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Empress 72 1975 7,770 -110   Nestle - 2 2083 - 34 + 0.10   Accor - 435   April 15   Price + 00   Press - 3   April 15   Price + 00   Press - 3   April 15   Price + 00   Press - 3   April 15   Press - 3   Ap	14010 Centri 7: \$19% 15% - \$ 700 Outla Gat \$23% 23% 23% 23% 23% 300 155 285 -15 585 585 585 585 585 585 585 585 585 5							
Bongrain 1,900 +20 ACF Holding 290 - 1 Sendor (RC Cts) 1,960 +40 Chugai Pharm 1,280 inchcape Bld 1,122 +0.02 Bouygues 1,100 +20 ACF Holding 290 - 1 Sendor (RC Cts) 1,960 +40 Chugai Pharm 1,280 inchcape Bld 1,122 +0.02 Bouygues 1,100 +20 ACF Holding 290 - 1 Sendor (RC Cts) 1,960 +40 Chugai Pharm 1,500 inchcape Bld 20,86 +0.04	Indices							
Septime	NEW YORK-008 JORES							
Songrain	NEW YORK-00st JOSES  1985/85 Sunse Compilation Apr. Apr. Apr. Apr. Apr. Apr. Apr. Apr.							
Songrain	NEW YORK-60st JOSES    April   April   April   April   April   April   10   9   8   High   Low   High   Low							
Songrain	NEW YORK-60st JOSES    April   April   April   April   April   April   10   9   8   Hagh   Low   Hagh   Low							
Songrain   1,900   40   20   ACF Holding   390   2   Seption (PtCts)   1,960   40   Dai-lois Ran. 8t. 1,510   40   Dai-loi	NEW YORK-008 JONES  April   April   April   April   April   April   April   1985/85   Suns Compilation   April   10   10   10   10   10   10   10   1							
Songrain   1,900 + 20   South   1,000 + 20   Sout	NEW YORK-00st JONES   April							
Bouygues   1,500   40   50   50   50   50   50   50	NEW YORK-60st Joses   1985							
Songrain	NEW YORK -00st Joses   April   April   April   April   April   April   April   April   19   29   3   April   19   29   3   April   19   29   3   April   19   10   10   10   10   10   10   10							
Sourgrain   1,900 + 20   Sourgrain   1,900 +	Regit   April   April   April   April   April   April   April   19   10   10   10   10   10   10   10							
Sourgerals	April   Apri							
Separation   1,900	April   Apri							
Sourgrain   1,500   20   Sourgrain   1,500	Part   Agril							
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#### Chief price changes LONDON (in pence unless otherwise indicated) Simon Eng. 620 +35 145 +13 321 +26 716 +28 168 +15 885 +35 Taylor Woodrow .. Tr 94% Cary 89 \_\_ £102% + % Tr 13%% 04/08 \_\_ £141% + 1 Tr 25% 1 L 20 \_\_ £96% + % APV \_\_ 331 + 11 331 + 11 32 + 8 245 + 10 108 + 18 461 + 16 350 + 20 80 + 12 638 + 14 294 + 14 Delta Group ...... Indl Fin & Inv ..... FALLS 208 -16 130 - 8 75 -18 680 -15 200 -18 Jaguar \_\_\_\_\_ NMW Computers Brit Mohair Dewey Warren Distillers

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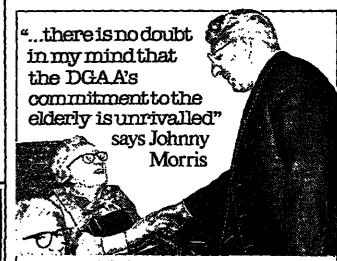
Bank Handlowy W. Warsawie S.A. KD,3,600,000 Floating Rate Notes due 1987

In accordance with terms and conditions of the Notes, the interest rate for the period from 15th April 1986 to 15th October

1986 (183 days) has been fixed at 9} per cent.

Interest for the period will be paid on October 15th 1986 at KD 47.003 per coupon.

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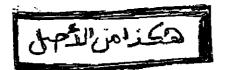
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### FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

### Peaks tested as rate hopes grow

US STOCK markets rose to new peak levels in early trading yesterday as tensions over the Libyan situation eased in the face of sharp falls in oil futures and strong rumours that the federal discount rate will be cut on Friday, writes Terry Buland in New York

-A falling dollar boosted stocks in the main exporting companies.

Rates plunged in the credit markets as federal economic data continued to indicate a sluggish performance by the US economy. Three-month Treasury bill rates fell 5 basis points to 5.76 per cent. Confidence that the North African clash will not reverse the oil price slide and reignite inflation brought huge gains in long-dated bonds, where yields fell to 7.15 per cent.

Sluggishness in the economy, indicated again yesterday by weakness in housing starts and industrial operating rates, is expected to be confirmed in today's disclosure of the latest official

GNP estimates. Wall Street expects the Fed to meet pressures to restimulate the economy by cutting its discount rate - perhaps by a full point - at the end of the week. While

Tokyo

1400

1200

1000

the board made no appearance at noon, traditionally the time for official intervention in the credit markets. Monday's generous supply of reserves was seen as a clear sign of easier credit policy. The stock market bounced ahead from

the opening, and major market indices quickly moved to new peaks.

At 2pm the Dow Jones industrial average was up 27.78 at 1.837.43.

Quarterly results from large corporations fuelled the market advance. Lower oil prices drove airline stocks ahead, and weakness in the dollar helped pharma-

ceuticals and chemicals. Oils were mostly lower as crude futures weakened again in New York. At \$56% Exxon shed S¼ while Chevron eased S¾ to \$39 and Mobil \$% to \$29%.

AT&T jumped \$1% to \$24 in massive turnover after announcing higher profits. Also firm on results was Ameritech, up \$% at \$117%.

The Dow was also boosted by a gain of \$34 to \$176% in Merck, the pharmaceutical leader which also disclosed a sharp jump in profits. Eastman Kodak gained \$1% to \$60%, still benefiting from recent brokerage recommendation.

IBM gained \$1% to \$154%, after announcing a new printing product. Digital Equipment, \$1% up at \$173%, Honeywell, 5% up at \$74 and Burroughs, 5% higher at \$64%, found buyers.

Tandy Corporation, the computer retailer soared \$1% to \$38% on higher third-quarter figures. Only Control Data, down \$% at \$22% on a loss warning, bucked the trend in technology issues.

Bank stocks held firm as the quarterly reports from the larger names were digested in the marketplace. BankAmerica, again passing its quarterly dividend, edged up 5% to \$16% but saw little trade. Citicorp added 51/4 to 5481/4 while Chase Manhattan was up 5% at \$47%.

Best favoured were J.P. Morgan, up \$2

at \$86 in continued response to the trading figures, and Bankers Trust, up \$1 at Ford gained \$1% to \$83%, helped by the deal with Fiat in the UK. General Motors edged up \$% to \$84 while Chrys-

ler at \$42% added \$%. Poor profits from AMR did nothing to restrain stock in the airline, which bounded S1¼ to \$57%. Also firm were United, up St at S57½, and Pan Am, up

5% at \$6%. The consumer industry reporting season opened favourably with Coca-Cola jumping \$3¼ to \$108 after disclosing higher profits and a stock split. Avon Products, the cosmetics retailer, responded with a S% gain to \$33% to its

quarterly earnings statement. Walt Disney Productions, fed by a new surge of speculative demand, jumped 52% to \$46. But a lone weak spot on the American Stock Exchange was Resorts International, down \$3 at \$62 as bid hopes were reduced by the Crosby family's swift regrouping after the death of

the company founder. Retail stocks responded quickly to the renewed expectation that lower oil prices will put money in the pockets of their customers. May Department stores led the field with a gain of \$1% at \$75%, but also firm were J. C. Penney, \$% better at \$69% and Sears, up \$% at \$47%.

TOKYO

### High-tech blue chips in favour

CONCERN PERSISTED in Tokyo yesterday, and share prices fluctuated narrowly even though fears of an escalation in the conflict between the US and Libya had eased, writes Shigeo Nishiwaki of Jiji Press.

Domestic demand-led issues such as public works and properties dipped in the absence of buying support, but hightech blue chips such as JVC and Hitachi, as well as issues with hidden incentives, gained ground.

The Nikkei average added 6.03 to 15,358.36 on a volume of 567.95m shares, up slightly from Tuesday's 475.15m. Gainers outpaced losers by 430 to 428, with 110 issues unchanged.

Buying interest remained flat because of uncertainty over the market outlook. Investors were relieved by a defusion in tension between the US and Libya, the minor response of most overseas stock markets to the attack and the relative stability in crude oil prices.

Meanwhile, they were worried about the Opec members' adoption of a resolution condemning the US for its military action and cancellation of talks between the US and Soviet foreign ministers.

Basically, the stock market was in a "corrective" phase following its surge since early this month, with many investors remaining on the sidelines.

In this depressed mood, blue-chip electrical machineries and precision in-struments were popular. JVC rose Y30 to Y2,590 on the news that it had agreed to supply camcorders to some large electrical appliance makers on an original equipment manufacturing basis.

Hitachi climbed Y19 to Y829 on heavy buying by foreigners and corporations. Fuji Photo Film put Y180 to Y2,180, Matsushita Electric Industrial Y10 to Y1,480 and Canon Y40 to Y1.100.

Some extremely high-priced issues strengthened further. KDD rose Y400 to Y33,500 and Secom Y260 to Y7,010. Daimei Denwa moved up the daily maximum Y200 to Y1,260 on speculative buying and Aichi Tokei went up the maximum Y105 to Y1,050.

Japan Line drew strength from reports that the company's reconstruction is progressing steadily. It increased Y8 to Y105 on a volume of 28.65m shares, the largest on the list of 10 most active stocks.

Leading domestic stocks eased on a wide front. Mitsubishi Estate lost Y30 to Y1,800 and Ohbayashi Corp Y19 to Y532. Mitsui Real Estate Development, which posted a daily limit gain and had topped the active list on Tuesday, shed Y20 to

However, Tokyo Electric Power added Y130 to Y3,720 and Kansai Electric Power Y40 to Y2,350.

The bond market fell back in thin trading as investors were preoccupied with an overnight decline in long-term US government bond prices and anxiety over the situation in Libya.

The yield on the benchmark 6.2 per cent government bond due in July 1995 rose to 4.990 per cent at one stage from Tuesday's 4.905 per cent but slipped later to 4.890 per cent

### **AUSTRALIA**

INDUSTRIALS firmed further while mining issues weakened in a mixed Sydney. The All Ordinaries ended up 4.7 at 1,202.9, and the All Industrials gained

Golds were sharply lower, with Central Norseman off 20 cents at A\$8.60 and GMK 10 cents at A\$7.90.

BHP added 2 cents to AS7.28 while its new ally Eiders IXL gained 10 cents to AS4.40. BHP suitor, Bell Resources, rose 10 cents to AS4.60, and its parent, Bell Group, added 40 cents to AS7.80.

Oils strengthened ahead of the Opec meeting. Santos gained 2 cents to AS3.85, and Bridge Oil rose 3 cents to **EUROPE** 

### Solid gains as anxiety is dispelled

THE ANXIETY over the US military incursion into Libya proved short-lived on the European bourses as most centres vesterday regained their poise and posted solid advances.

The best performance was once again in Frankfurt, where the Commerzbank index surged ahead to its sixth peak in eight sessions it jumped 25.8 to 2,243.9. Banks and car makers, the mainstay of the earlier record run, were in favour again as strong foreign demand resurfaced. Overseas funds also flowed into the bond market where prices jumped by up to 50 basis points on dollar and interest rate-related speculation.

In the stock market Daimler was the star of the session as it catapulted DM 74.50 higher to a record DM 1,549.50 - a gain of 4.8 per cent - as investors, foreign and domestic alike, were enticed by the prospect of a tender offer to shareholders or an increased dividend.

VW also featured with its DM 16.50 rise to DM 684 amid plans to reach a joint venture with Olivetti over its Triumph-Adler subsidiary.

Banks, buoyed by the bullish bond market, saw Bayerische Vereinsbank surge DM 21 to DM 666 and Dresdner add a further DM 10 to DM 501.50 ex-

Among the leading electrical stocks, Siemens ended DM 4.20 stronger at DM 720 while AEG posted a more modest DM 2.20 rise to DM 342.

A sharp fall in the dollar and renewed speculation over further cuts in world interest rates triggered an active bond session with gains of up to % point among longs while shorts showed some isolated advances. Domestic and foreign buyers were both very active.

The average yield on public authority bonds, according to the Bundesbank, dropped from 5.47 per cent to 5.43 per cent. The central bank stepped up its sales with a hefty DM 100.6m worth of domestic paper after Tuesday's DM 18.2m sales.

The return of institutional buyers in Brussels failed to halt the fall in the Belgian Stock Exchange index, which lost a further 19 points to 3.496.38.

A quarter percentage point cut to 8.25 per cent by Banque Nationale de Bel-

gique in its interest rate on three-month Treasury bills aided sentiment, but the main market is waiting for a similar reduction in the more significant discount

rate, according to brokers.

Stockholm recovered from Tuesday's fall amid hopes of interestrate cuts at today's central bank board meeting. Aga, still suspended, announced that it would consolidate investment group Tresor into the group and that it might seek a listing on the Tokyo Stock Exchange.

Electrolux returned to the most active position and lost SKr 2 to SKr 304. Volvo, also active, firmed SKr 1 to SKr 390 while Asea added SKr 10 to SKr 480 ahead of news that it is to reduce its holding in the Norwegian offshore engineering group Aker.

Milan moved ahead again despite the tension over Libya. Institutional investors and professional speculators were active at the start of the new account and focused on blue-chip industrial

Fiat was also highlighted with a L311 gain to L11,510, and Olivetti finished L100 ahead at L18,890.

One sour note developed, however, when a leading London broking firm advised clients against opening new positions until the protracted settlements problems of the exchange have been set-

Zurich was buoyed by the strong over-night showing on Wall Street. Ciba-Geigy fluctuated within a narrow range and finished the session steady at SFr 3,950 while Nestlė, which is selling its contact lens unit to Ciba-Geigy, was unchanged at SFr 8,800.

Amsterdam managed a partial recovery from the Libyan-induced decline. Internationals remained the focus of interest as Philips firmed 40 cents to Fl 64, Akso advanced Fl 1.60 to Fl 180.80 and Heineken put on an extra FI 2 to FI

Profit-taking persisted in Paris. Construction issues continued to wilt as the troubled Screg group lost a further FFr 10.10 to FFr 88.10.

Madrid was led higher by utilities and building stocks.

#### SINGAPORE

SLUGGISH trading ended with prices narrowly mixed in Singapore yesterday. A recent spate of corporate reports has. left the market without any fresh fac-

The Straits Times industrial index put on 3.99 to 573.16.

Singapore Press, the most active issue, slipped 5 cents to S\$5.50, and Singa-

pore Airlines gained 5 cents to 5\$5.90 while Neptune Orient added 6 cents to 96 cents. Banks were little changed.

#### LONDON

INITIAL uncertainty dampened prices early in London, but after rumours of a coup in Libya, a late rally left the FT Ordinary share index 8.6 higher at 1,379.4 and the FT-SE 100 7.2 to 1,662.0.

Activity focused on companies reporting results: Hawker Siddeley, with preliminary profits at the top end of the market range, rose 34p to 597p. Reports that it may bid for Simon Engineering, coupled with bid rumours from Williams Holdings, boosted Simon 32p to 288p. Williams added 28p to 716p. Gilts regained the major part of Tues-

day's falls. Chief price changes, Page 37; Details, Page 36; Share information service, Pages 34–35

#### HONG KONG

OVERSEAS BUYING forced prices higher in Hong Kong after Tuesday's

The Hang Seng index gained 27.46 to 1.791.19 after the previous session's 22point loss, and the more broadly based Hong Kong index put on 17.15 to

Institutions were attracted to Hutchison Whampoa, which rose 80 cents to HK\$30.00. Brokers linked the gains to its plan with Cheung Kong to purchase 5 per cent of Cathay Pacific ahead of its flotation. Cheung Kong rose 30 cents to HK\$20.50.

### **SOUTH AFRICA**

THE LACK of any fresh factor left Johannesburg drifting around Tuesday's closing levels, and most sectors ended

Bullion failed to react to a slump in the dollar, and Randfontein eased R2.50 to R250 while Winkelhaak added R1 to

In mining financials Gold Fields fell 50 cents to R36.25, but Anglo American gained 10 cents to R23.25.

Other mining issues were lower, with De Beers, the diamond producer, 10 cents lower at R23.25

### CANADA

A FIRMER move in Toronto set prices on a path towards record levels for the sixth consecutive session.

Imasco traded CS1% higher at C\$37% while its takeover target, Genstar, put on C\$1/4 to C\$571/2. In other situation stocks Hiram Walker lost CS% to CS38% in the wake of TransCanada Pipelines' withdrawing its bid. TransCanada shed

Mining issues and oil were the only

2000

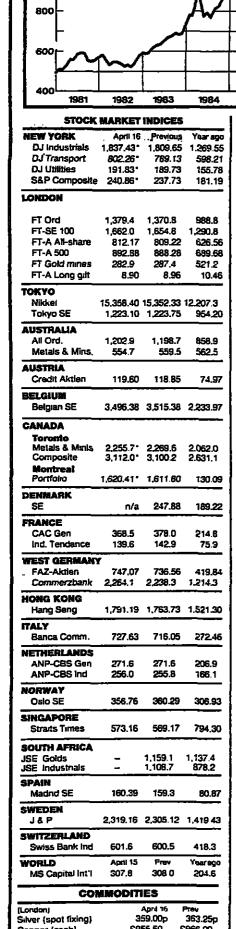
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CURRENCIES US DOLLAR: STERLING Previous April 16 Previous 1.5055 178.3 266.0 263.75 7.1625 7.3625 1.9335 10.7825 10.895 1,581.5 2,320.75 2,340.5 47.0 68.95 1.393 INTEREST RATES 10% (offered rate) 3-month USS 6-month USS US Fed Funds 617/10 719/16 6.30 6.45 5.885 US BONDS 6.63 101%: 6.46 6789 102% 699 6.97 1115/12 113 125²‱ 7.149 1231%2 Day's change 154.10 +1.076.94 - 0.136.76 145.17 +0.67 -0.13135,47 +0.27 6 53 147 45 6.85 +0.70 ~014 7.56 186.15 + 2.46 101% 3% July 1990 84 May 2000 10% Mar 1993 108% 10% May 1993 Federated Dept Stores 10% May 2013 110.17 11.80 Feb 2013 12% Dec 2012 111% 10.94 111% 10.94 FINANCIAL FUTURES CHICAGO 8% 32nds of 100% 104-24 104-26 104-02 102-27 US Treasury Bills (IMM) S1m points of 100% 94.62 94.63 94.56 94.49 363.25p £966.00 Certificates of Deposit (IMM) £955.50 \$1m points of 100% Copper (cash) 93.89 93.89 93.89 93.78 £2,227,00 £2,167 00 Coffee (May) LONDON Three-month Eurodolia \$1m points of 100% GOLD (per ounce) 93.57 93.58 93.50 93.44 Prev \$340.75 April 16 \$339.00 Landon **\$341.25** \$340.75 £50,000 32nds of 100% Zürlich S341 49 \$341.54 128-17 128-24 127-12 127-05 Pans (fixing) June \$340,50 5341.10 Luxembourg 5340 00° lew York (June)